

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Serial No. 09/788,302
Filing Date February 15, 2001
Inventor Gregory Sheldon et al.
Assignee Timely Rewards, Inc.
Group Art Unit 3622
Examiner Daniel Lastra
Attorney's Docket No. TI11-001
Customer No. 021567
Title: Integrated Frequency and Award Redemption Program for Installment
Based Receivables Behavior Modification and Customer Loyalty
Management

DECLARATION OF INVENTORS UNDER 37 C.F.R. § 1.131

To: Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

From: Mark W. Hendricksen (Tel. 509-624-4276; Fax 509-838-3424)
Wells St. John P.S.
601 W. First Avenue, Suite 1300
Spokane, WA 99201-3828

We, Gregory Sheldon, Scott Jarol, and Marisa Pena swear and state that:

1. We are the joint inventors of the subject matter of the above-referenced application.

On or before January 11, 2001, we completed our invention as described and claimed in the subject application in this country, as evidenced by the following:

- A. On or before January 11, 2001, having earlier conceived the invention, we provided to our patent attorney, Mark W. Hendricksen, the drawing figures which are evidenced in Exhibit A attached hereto.
- B. On or before January 11, 2001, we provided to our patent attorney, Mark W. Hendricksen, the summary disclosure attached hereto as Exhibit B, referred to patent application for primary business process.
- C. On or before January 11, 2001, we had complete all of the elements of the invention represented in the currently pending claims, which are attached hereto as Exhibit C.
- D. The combination of the drawings, the drawing figures, the summary disclosure and other information, clearly establish that all the elements of the invention as currently claimed and pending, were present before the January 11, 2001, date.

We hereby declare that all statements made herein are of our own knowledge and are true and that all statements made on information and belief are believed to be true and, further, that these statements were made with knowledge that willful false statements and the likes so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the U.S. Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: _____

By: _____
Gregory Sheldon, Inventor

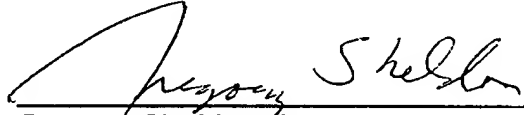
Date: _____

By: _____
Scott Jarol, Inventor

Date: _____

By: _____
Marisa Pena, Inventor

We hereby declare that all statements made herein are of our own knowledge and are true and that all statements made on information and belief are believed to be true and, further, that these statements were made with knowledge that willful false statements and the likes so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the U.S. Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: March 15, 2006By: 
Gregory Sheldon, Inventor

Date: _____

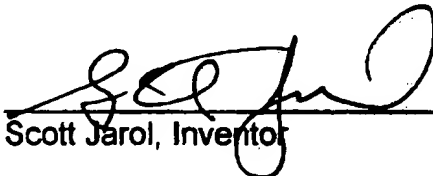
By: _____
Scott Jarol, Inventor

Date: _____

By: _____
Marisa Pena, Inventor

We hereby declare that all statements made herein are of our own knowledge and are true and that all statements made on information and belief are believed to be true and, further, that these statements were made with knowledge that willful false statements and the likes so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the U.S. Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: _____

By: _____
Gregory Sheldon, InventorDate: 3/16/06By: 
Scott Jarol, Inventor

Date: _____

By: _____
Marisa Pena, Inventor

We hereby declare that all statements made herein are of our own knowledge and are true and that all statements made on information and belief are believed to be true and, further, that these statements were made with knowledge that willful false statements and the likes so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the U.S. Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: _____

By: _____
Gregory Sheldon, Inventor

Date: _____

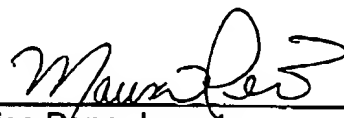
By: _____
Scott Jarol, InventorDate: March 23rd, 2006By: 
Marisa Pena, Inventor

EXHIBIT A

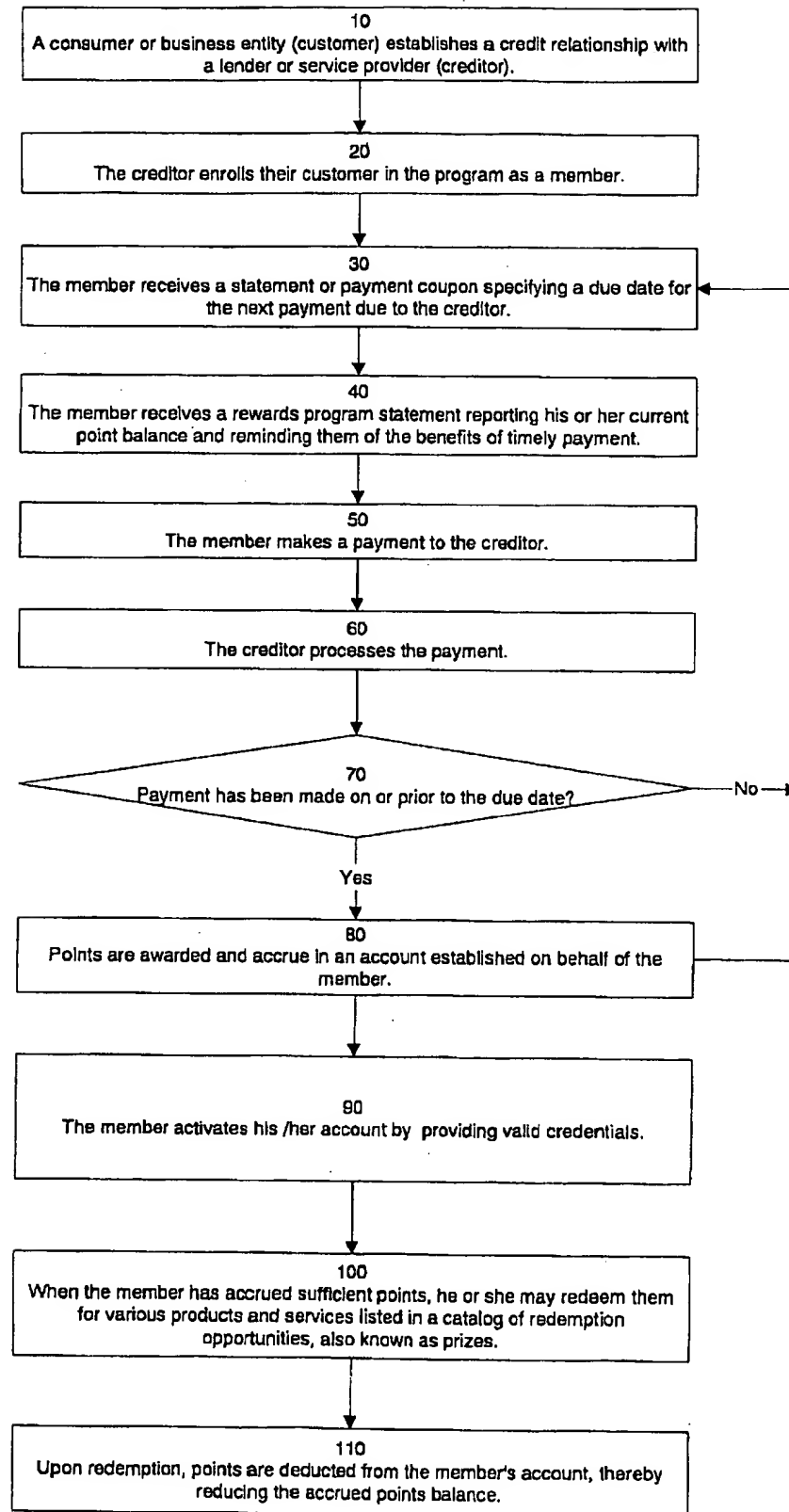


Figure 1

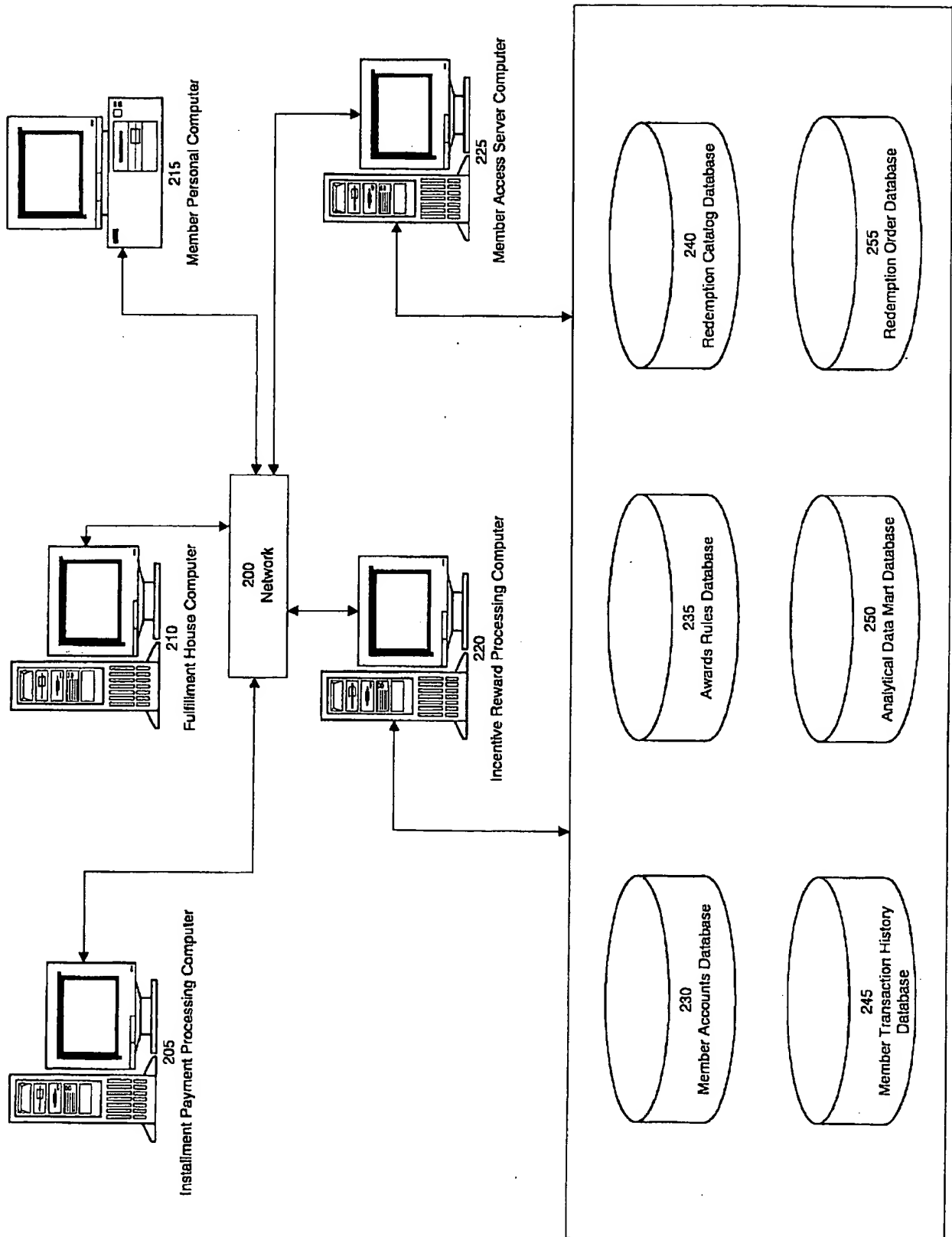


Figure 2

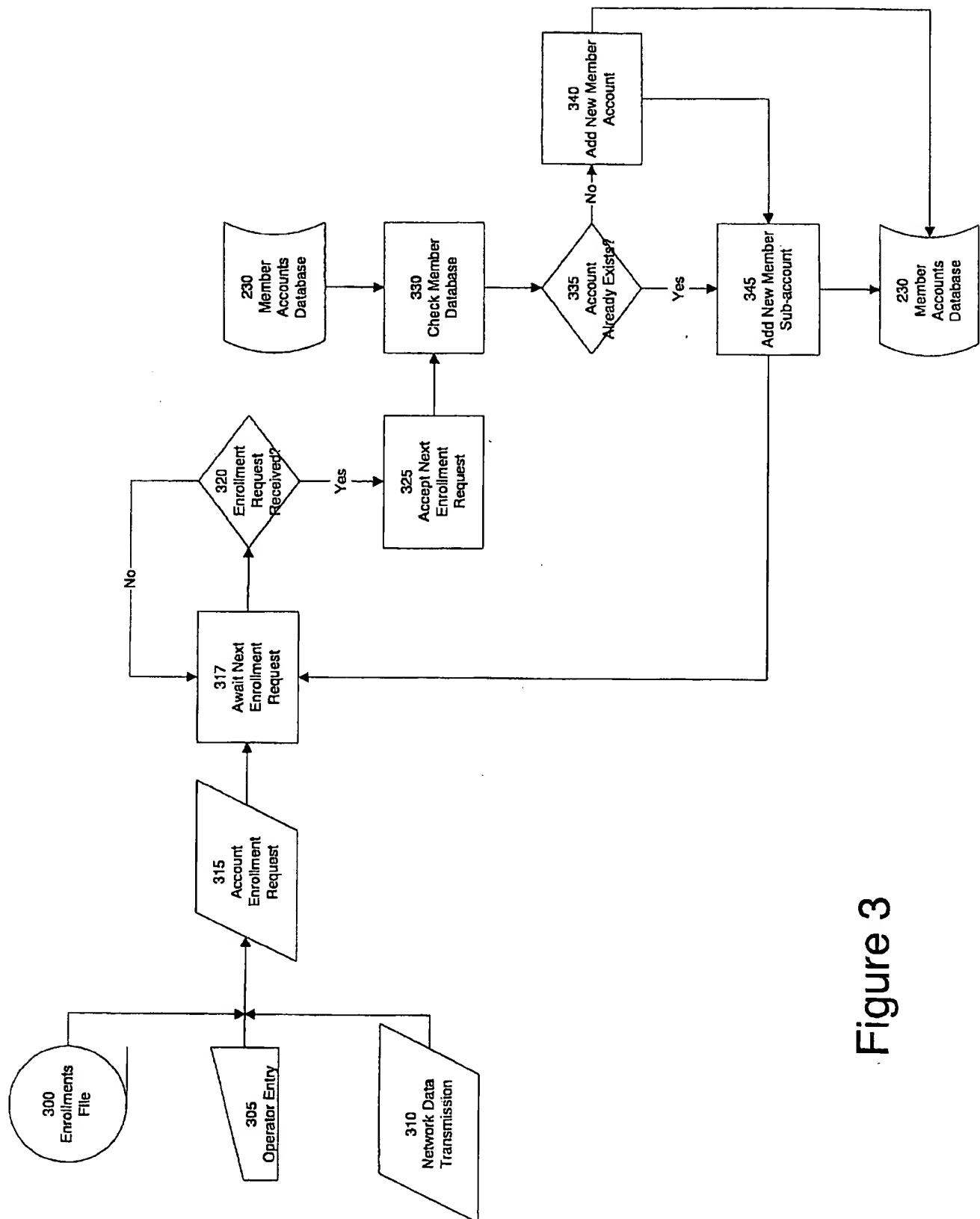
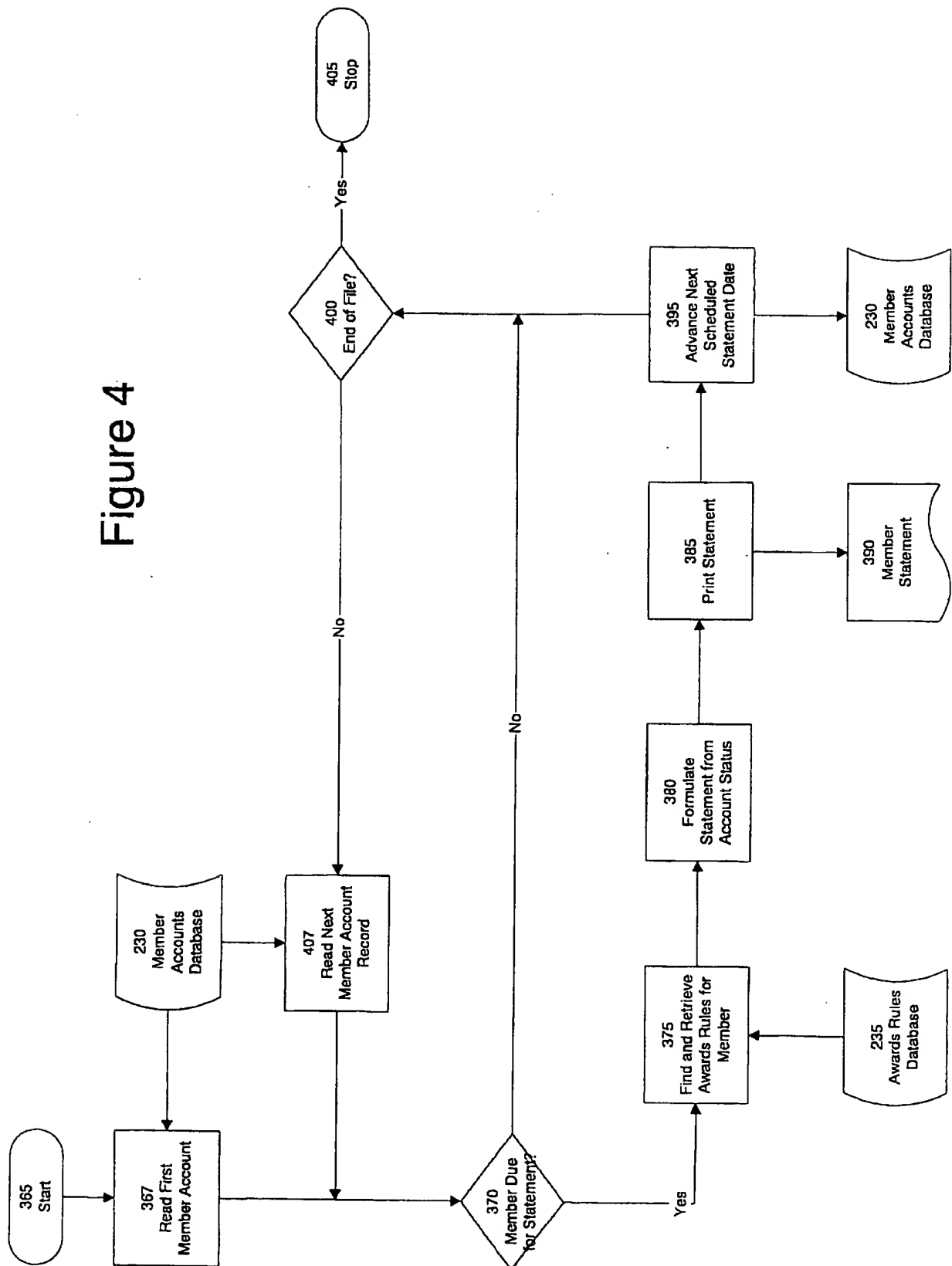


Figure 3

Figure 4



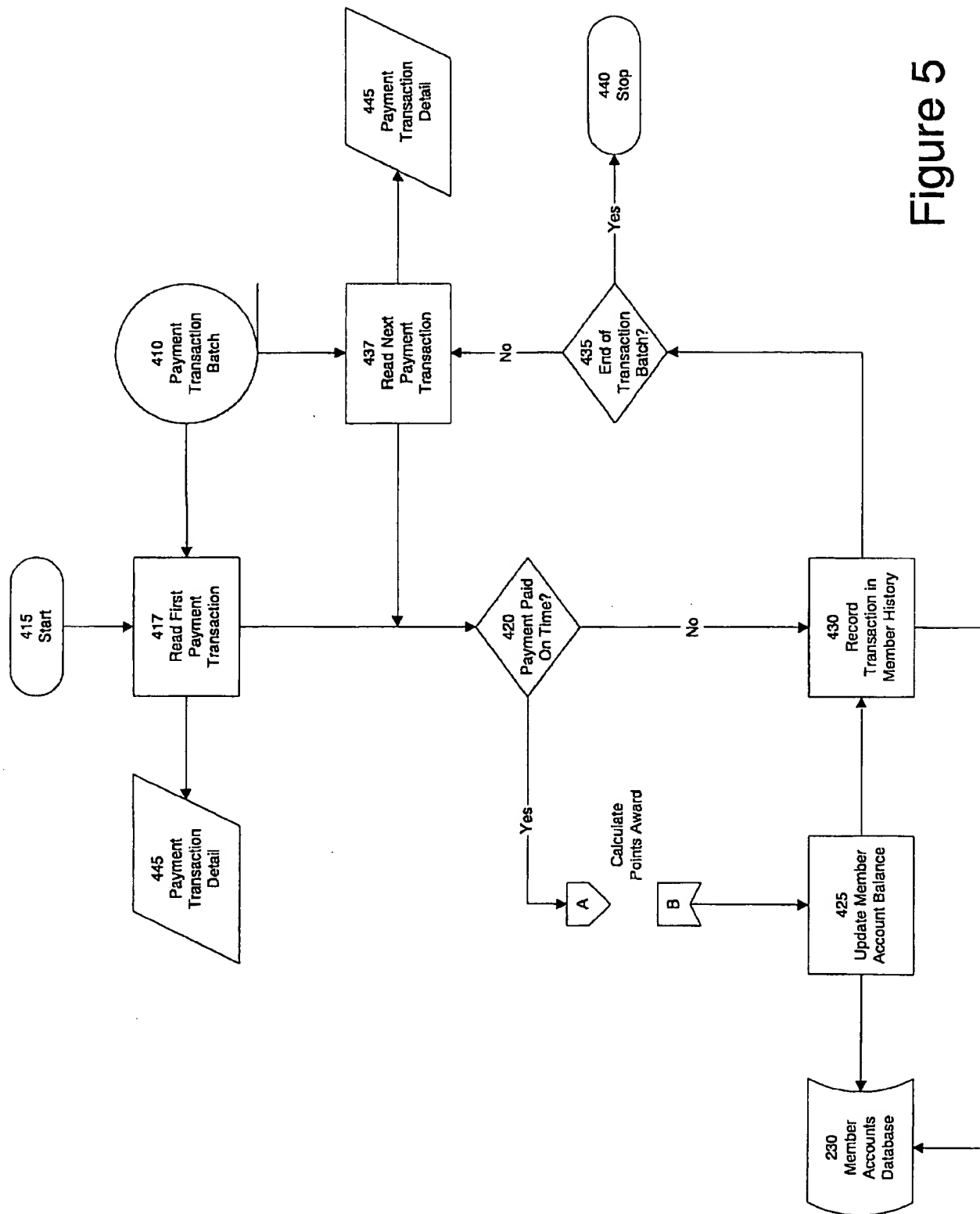


Figure 5

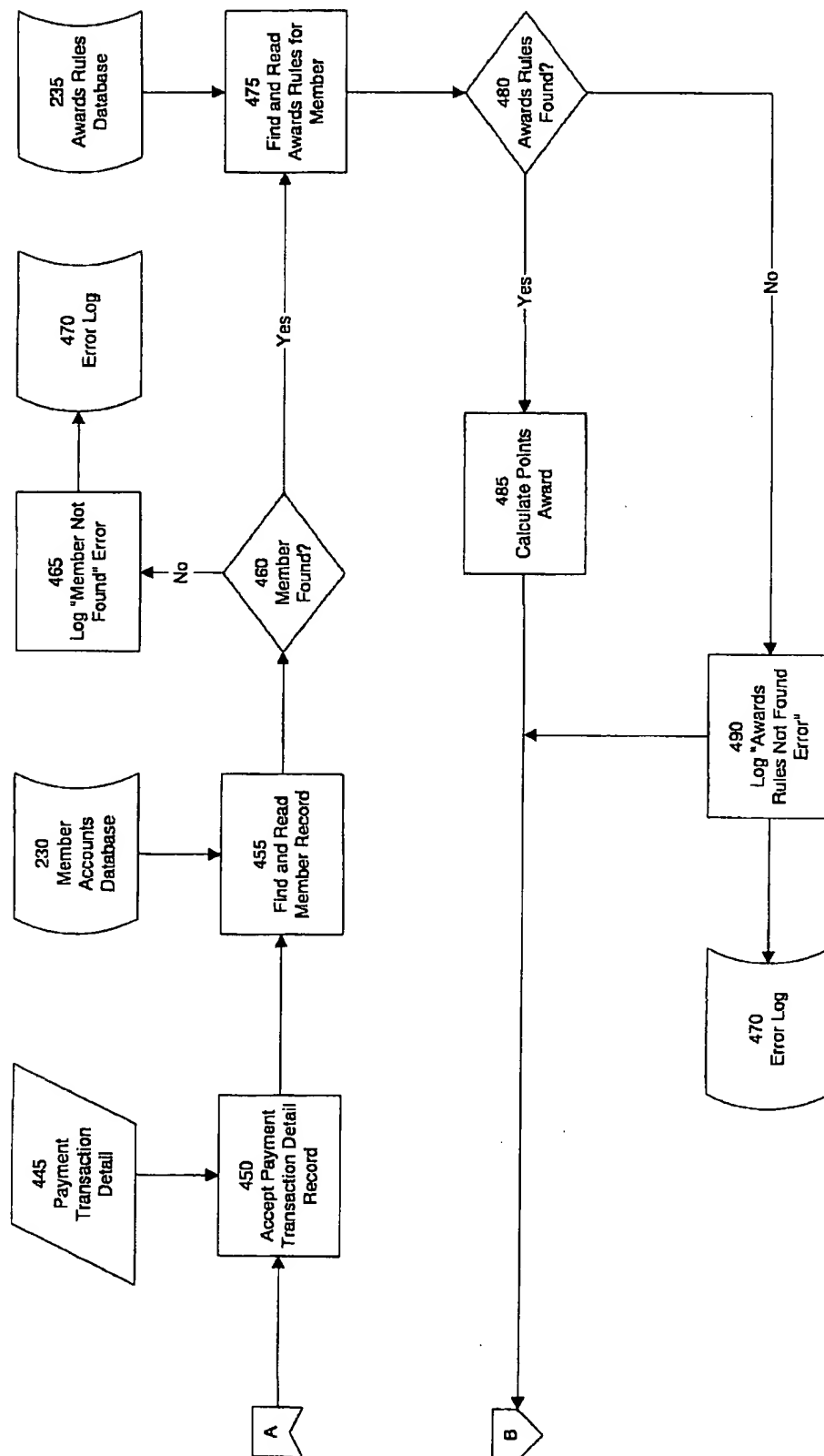


Figure 6

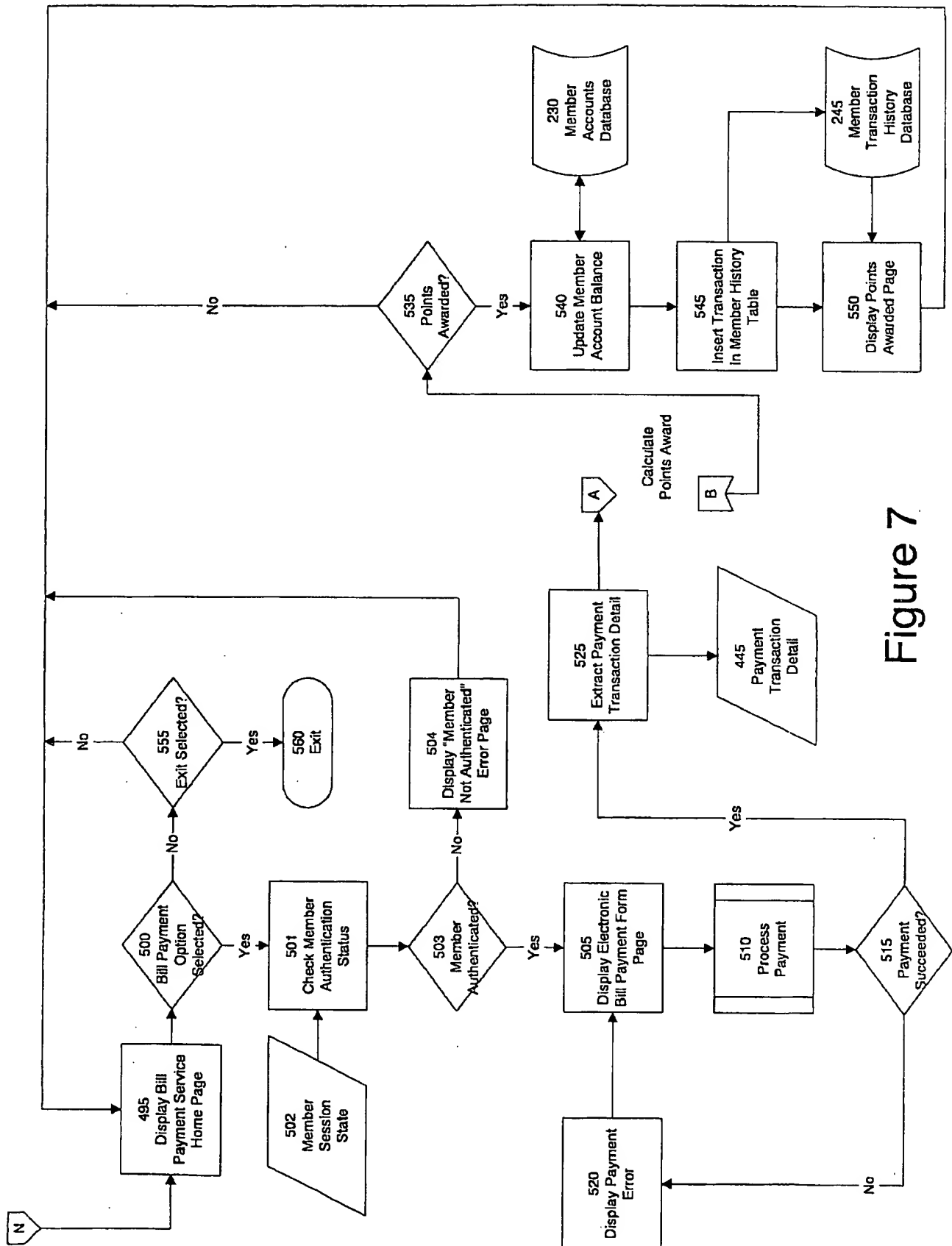


Figure 7

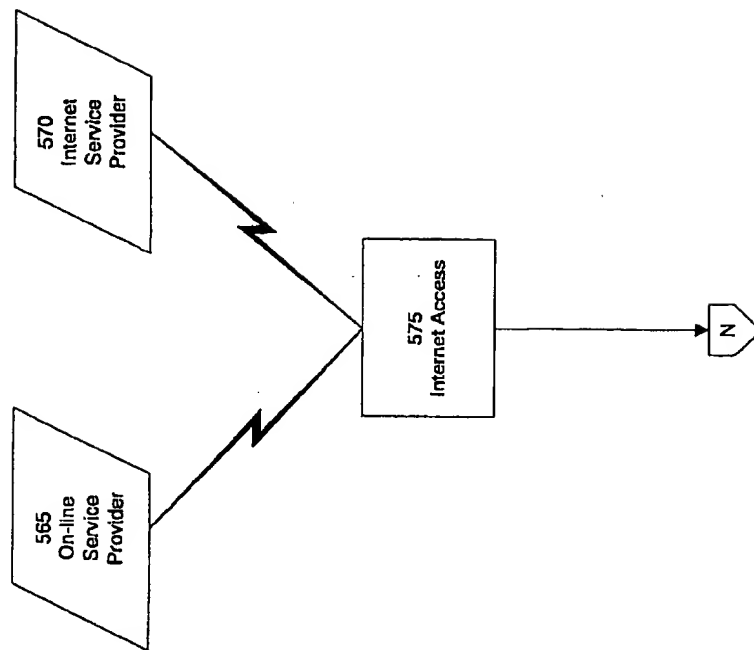


Figure 8

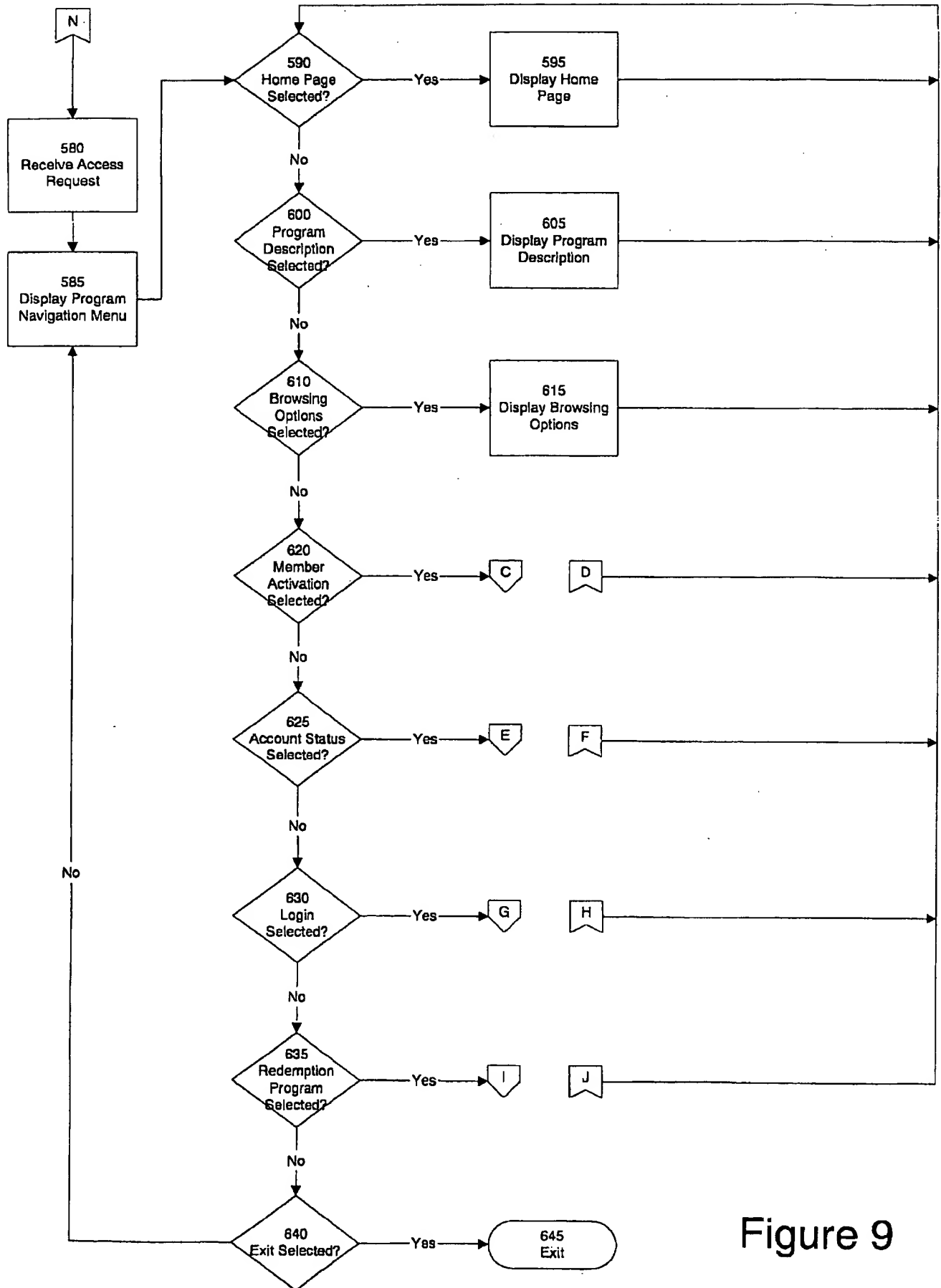
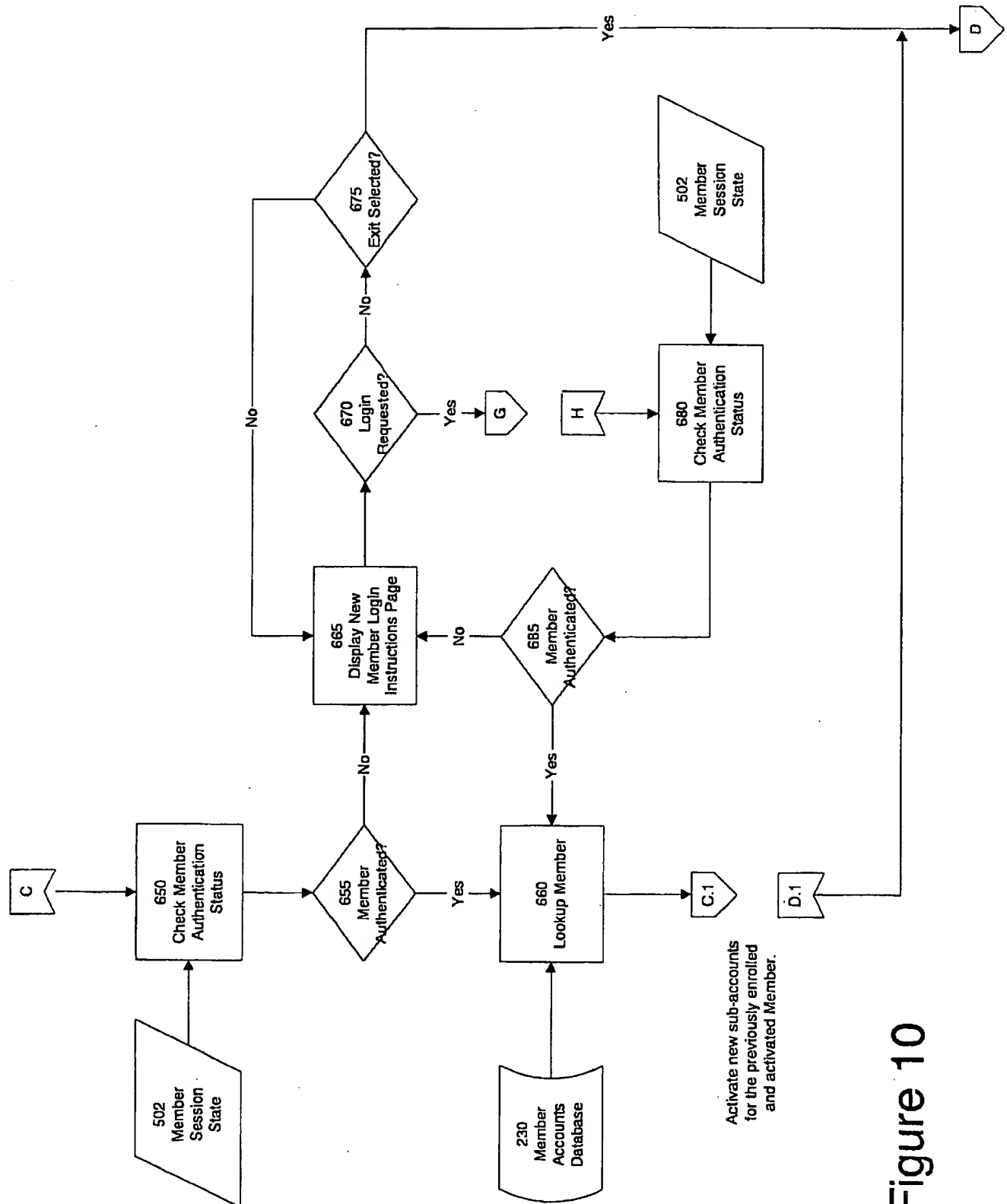


Figure 9



Activate new sub-accounts
for the previously enrolled
and activated Member.

Figure 10

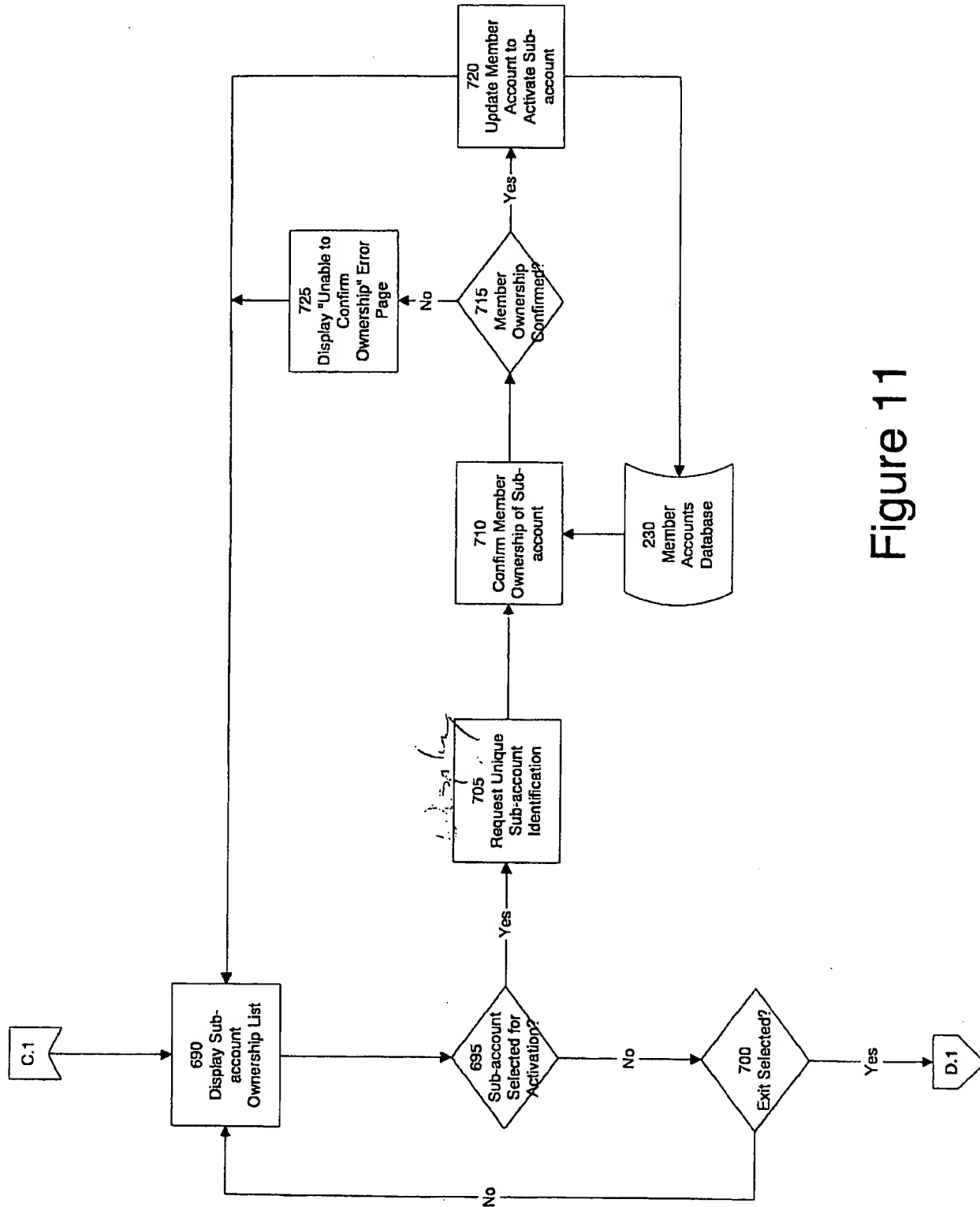


Figure 11

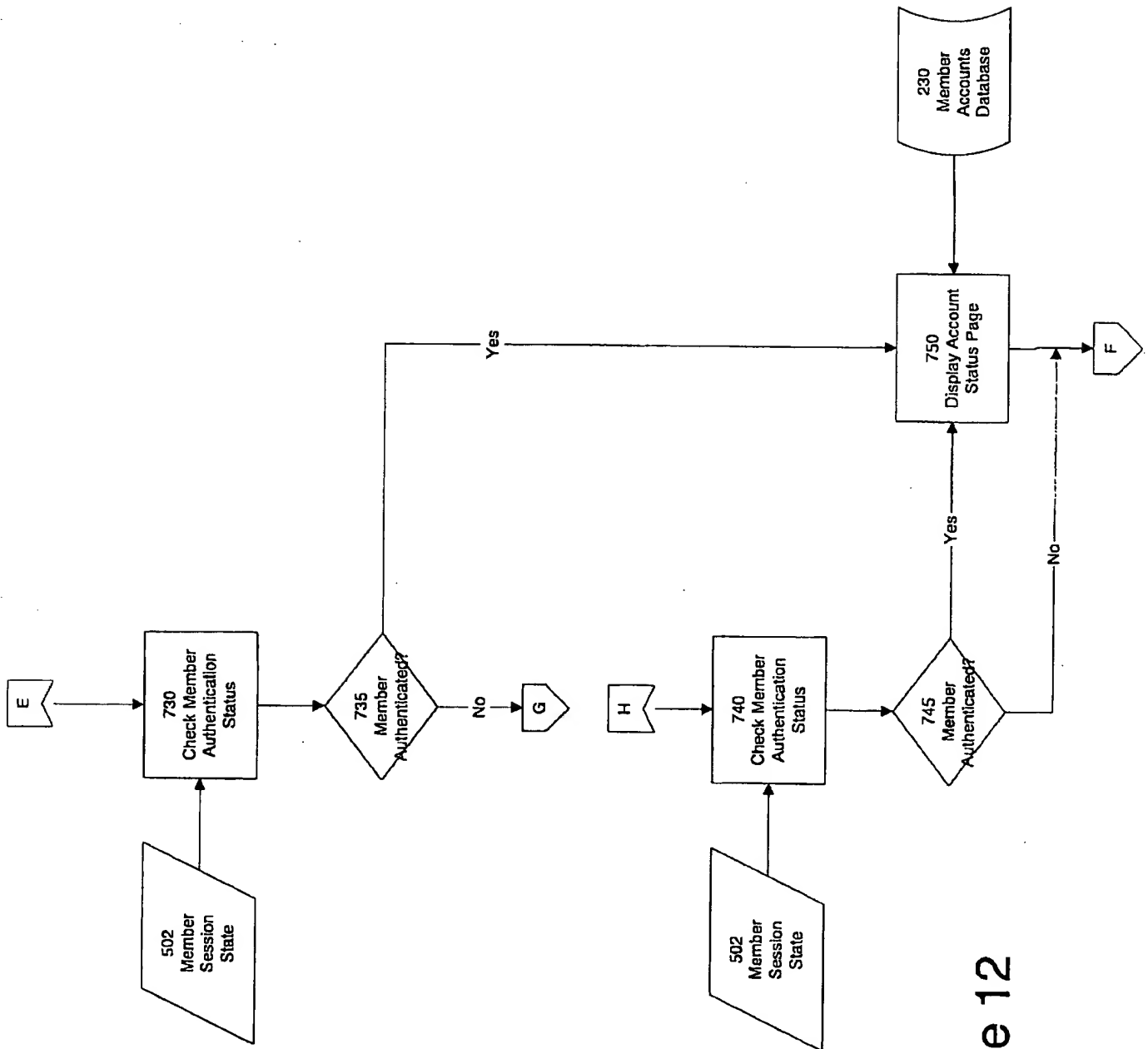
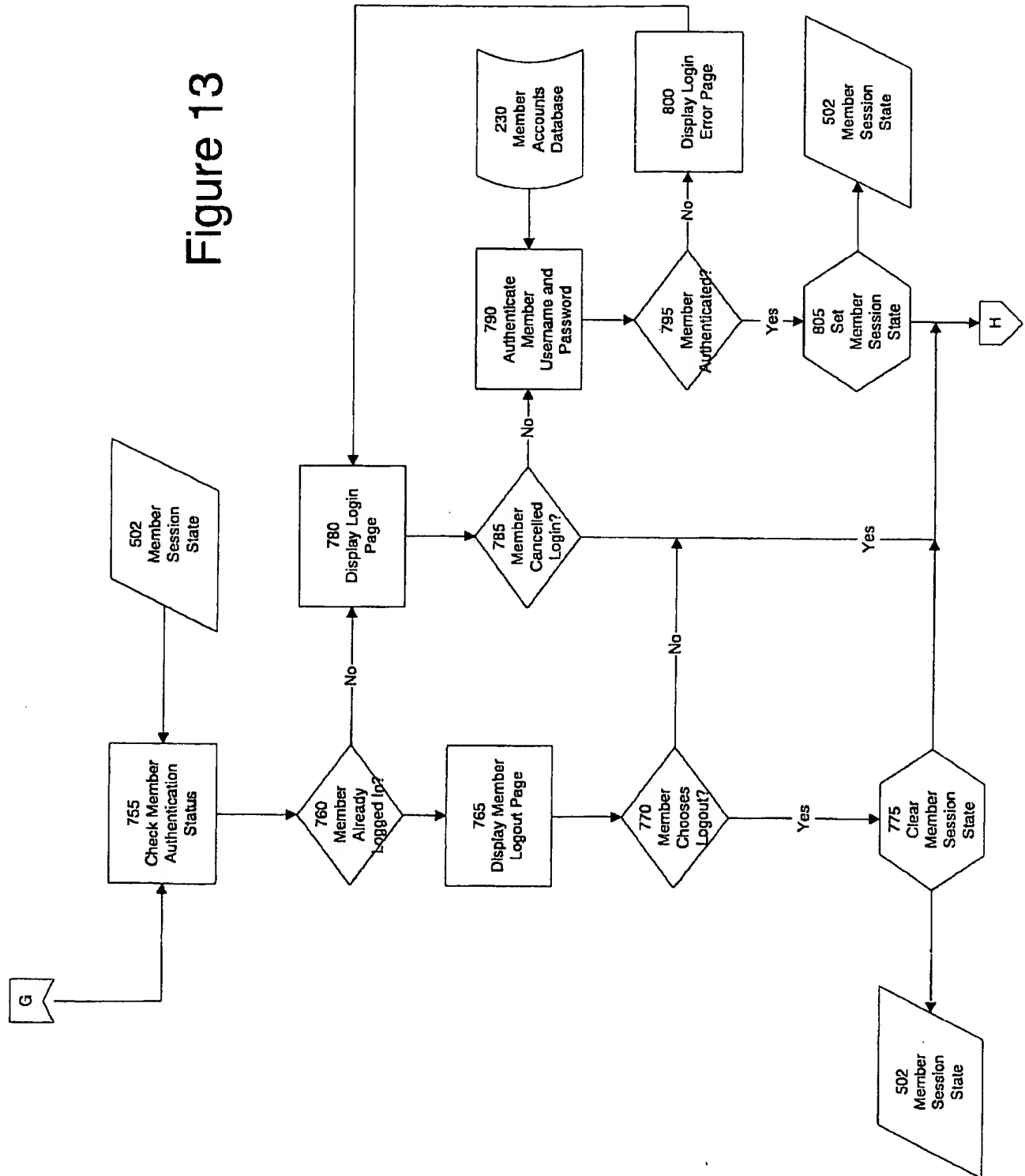


Figure 12

Figure 13



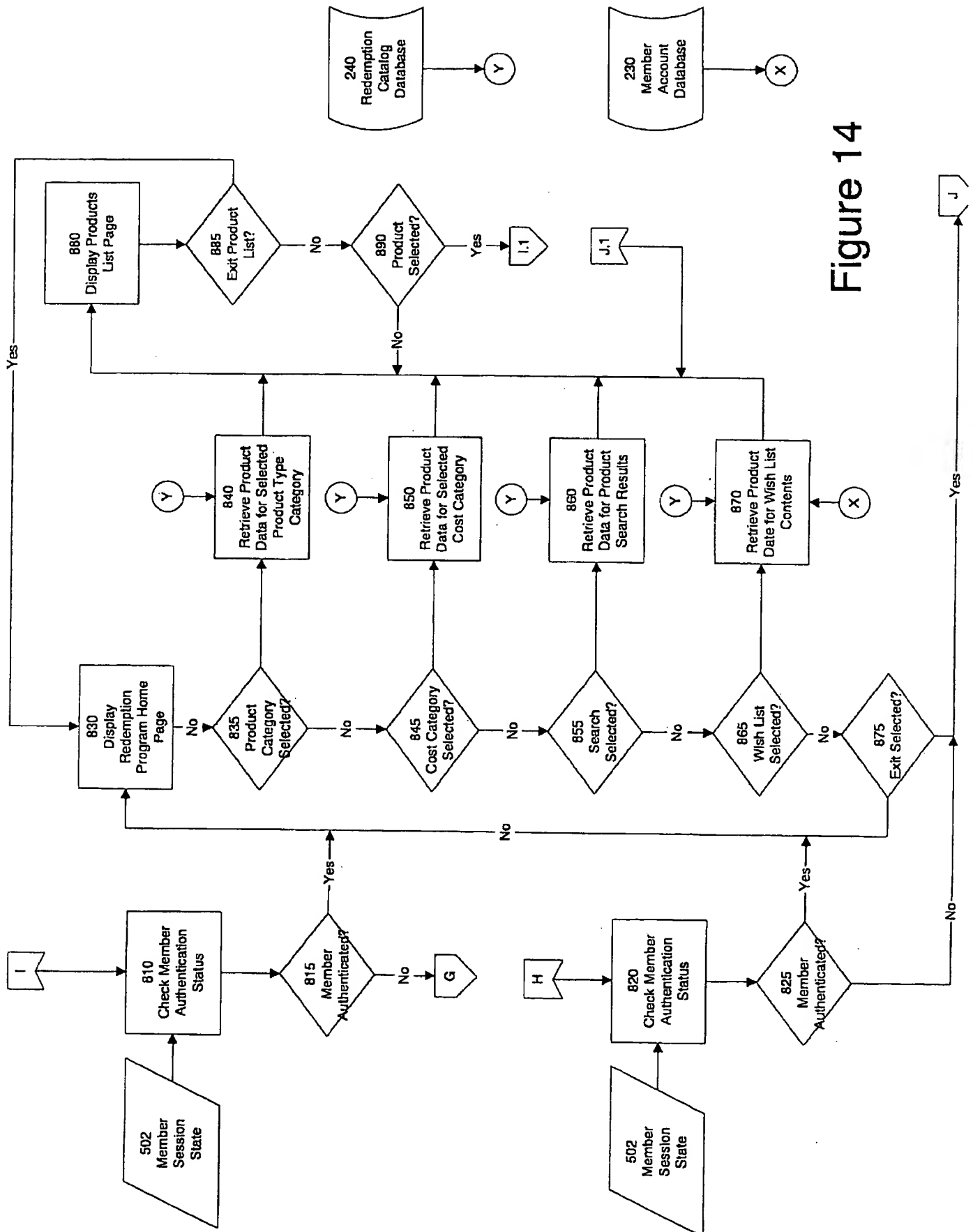


Figure 14

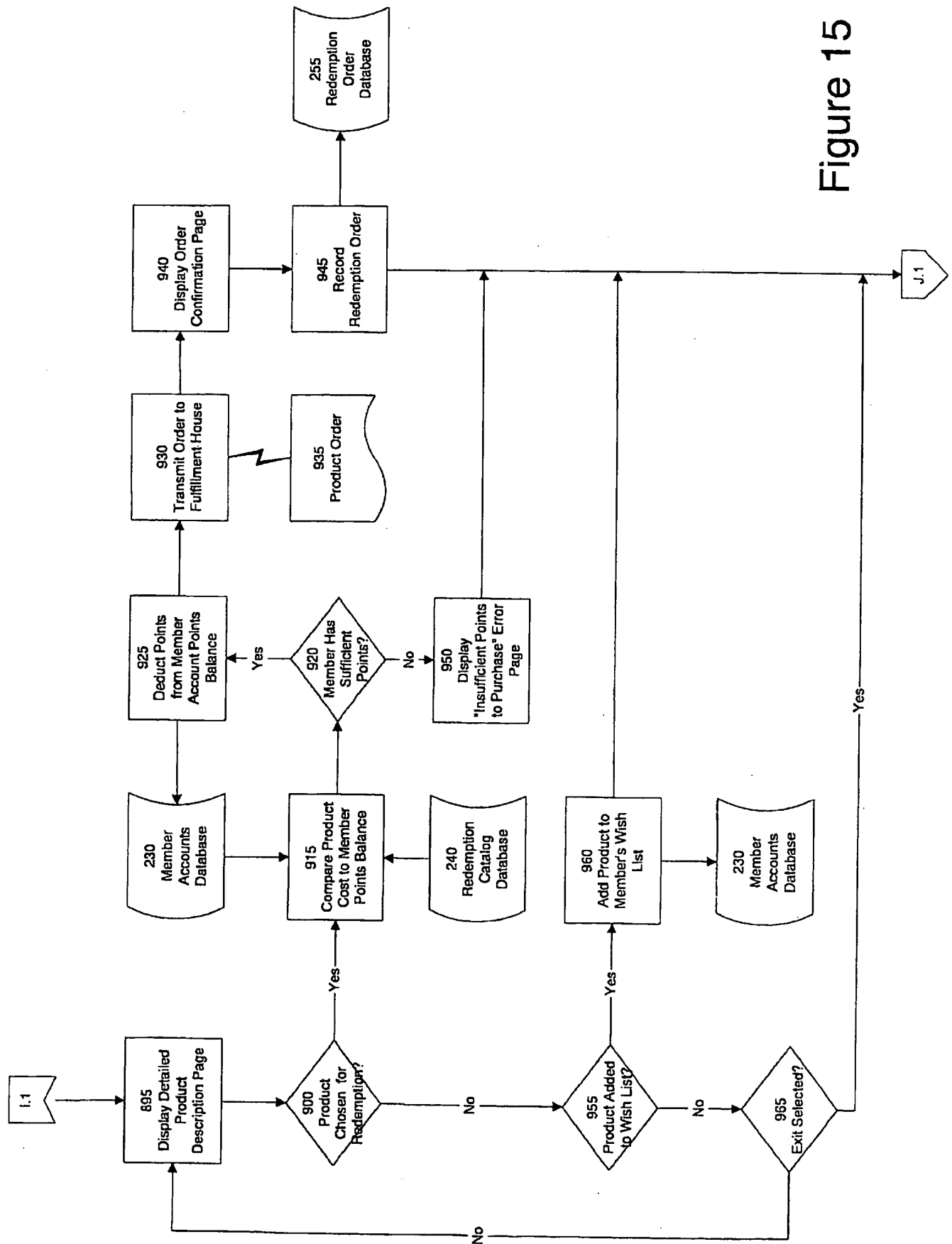


Figure 15

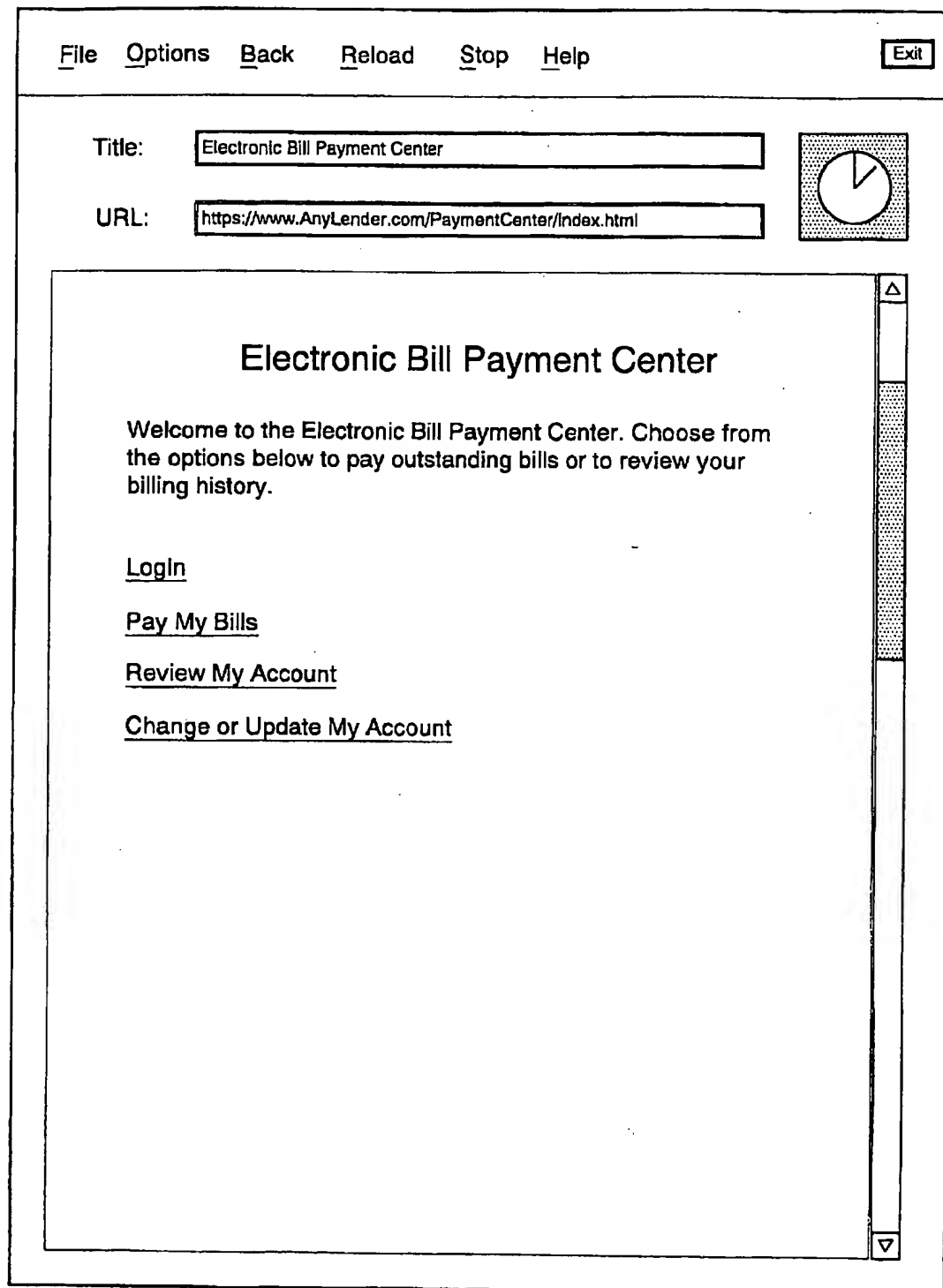



Figure 16

[File](#) [Options](#) [Back](#) [Reload](#) [Stop](#) [Help](#) [Exit](#)

Title:

URL:



Electronic Bill Payment Center

Enter your payment below and click the Submit button to continue.

Account Number to Pay:

Amount to Pay:

Date to Pay:

Source of Funds:

Funds Source Account Number:

Expiration Date:

[Login/Logout](#) [Review My Account](#) [Change or Update](#)

Figure 17

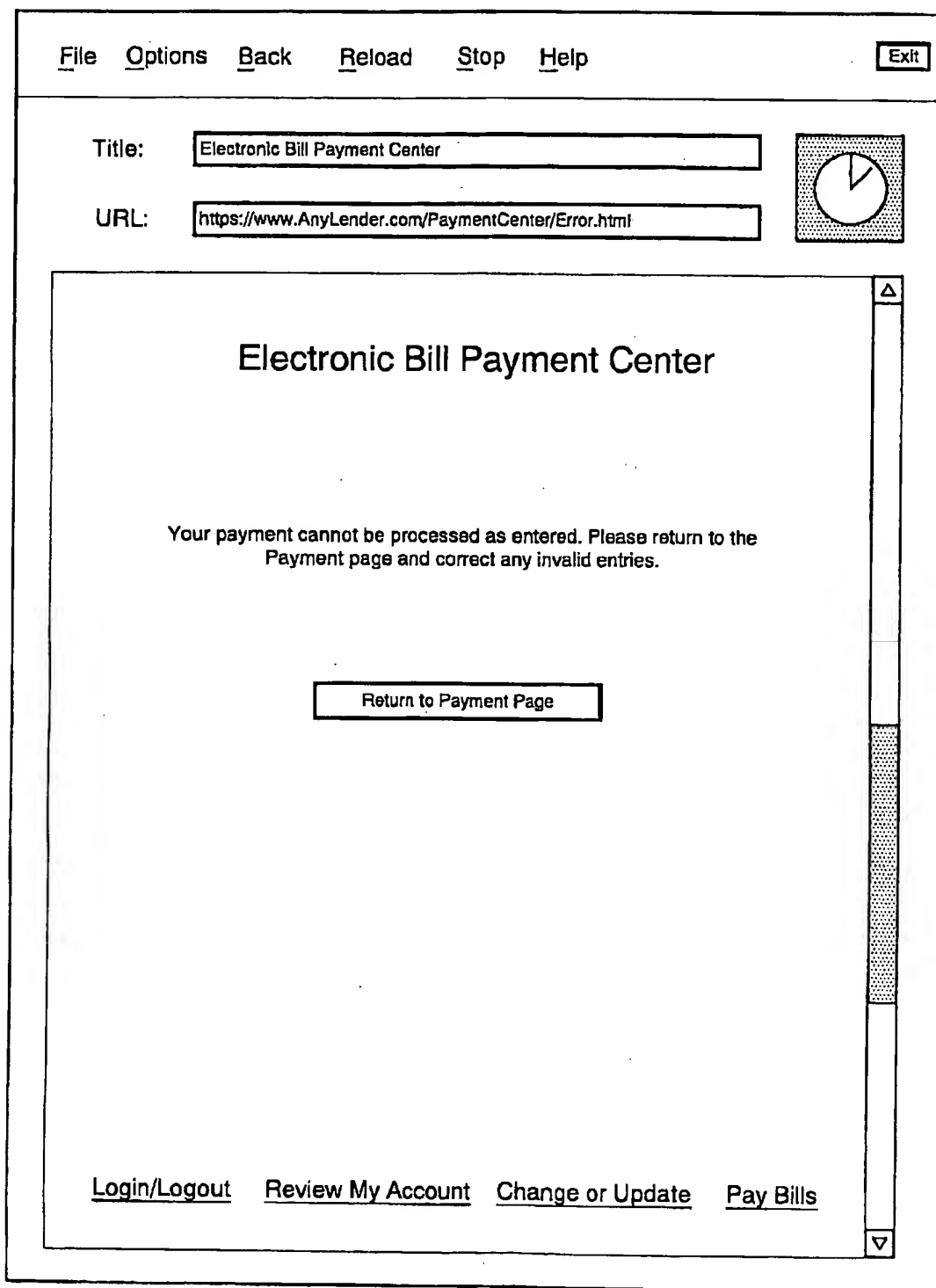


Figure 18

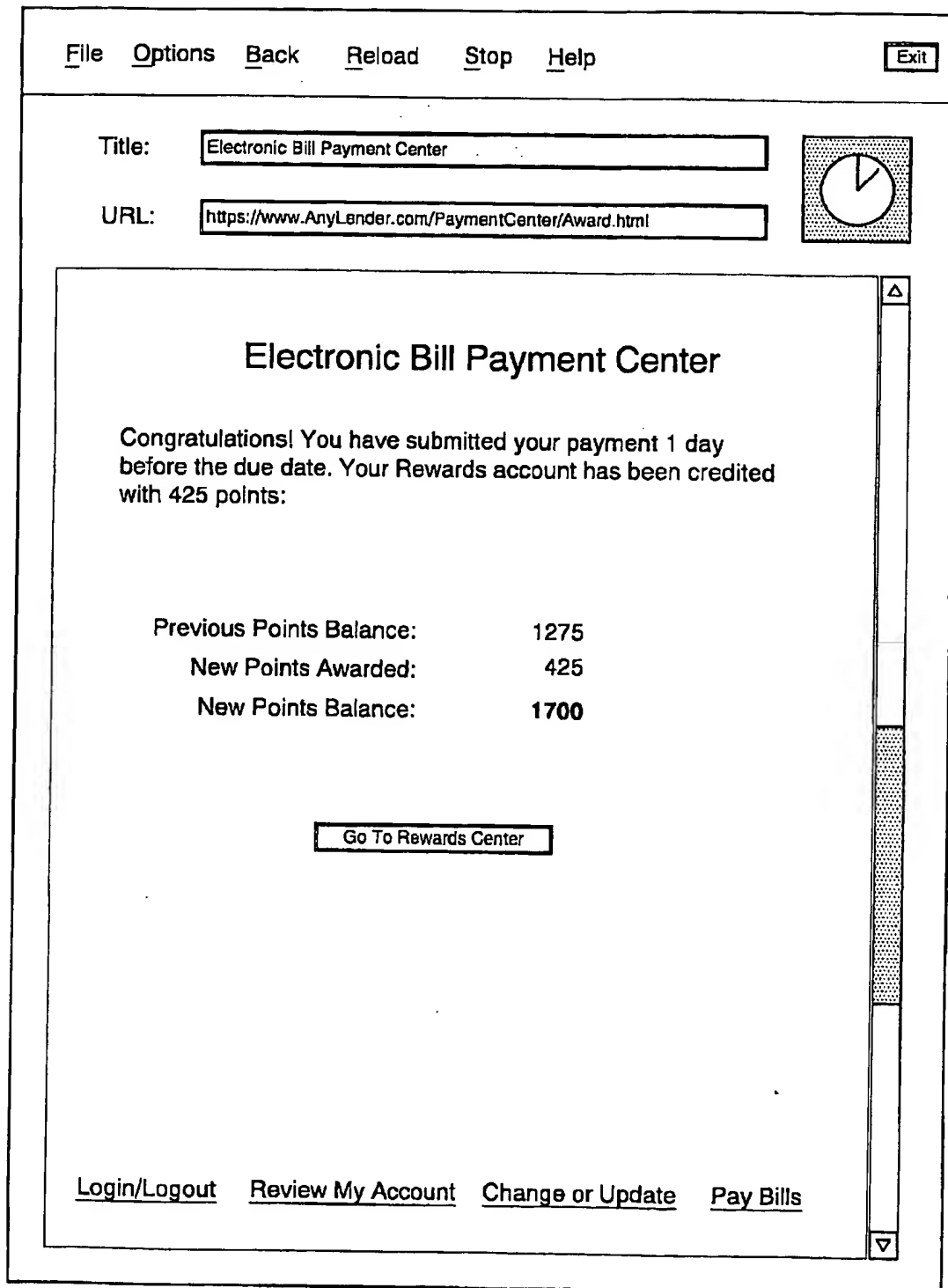


Figure 19

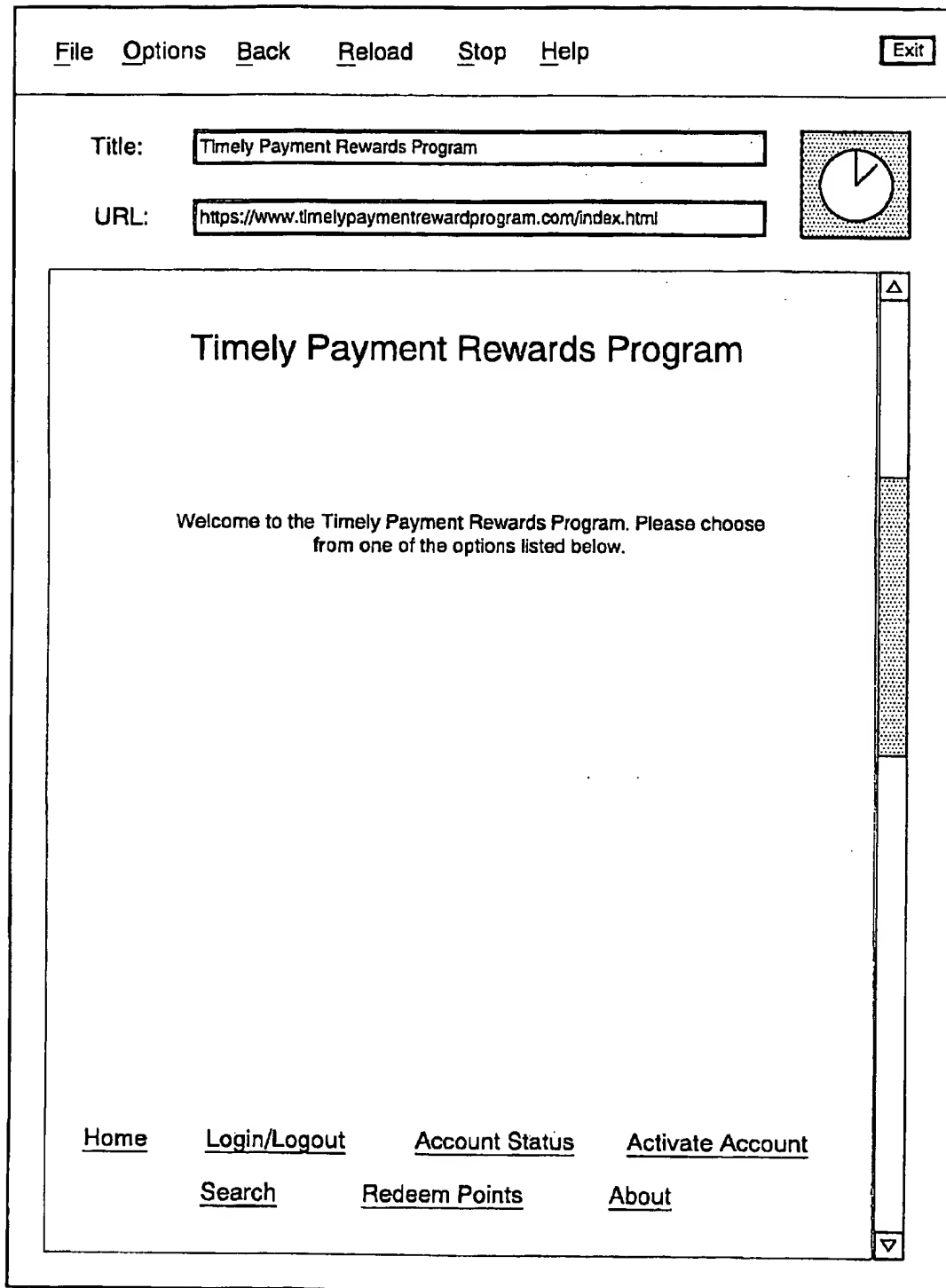
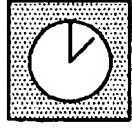


Figure 20

File Options Back Reload Stop Help Exit

Title:

URL:



Timely Payment Rewards Program

Welcome to the Timely Payment Rewards Program. As a Member of this program you will receive a bonus in the form of redeemable points each time you make a payment on or before the due date. Before you can begin to check your points or browse the awards catalog you must activate your Membership.

First you will need to enter your username and temporary password, forwarded to you previously by postal or electronic mail. Then, for security purposes, you will need to enter your loan account number.

When you are ready to proceed click the button below.

If you have already activated your Membership, click the hyperlink below labeled "Login/Logout," and proceed to whichever section of this Web site you choose.

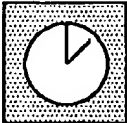
[Home](#) [Login/Logout](#) [Account Status](#) [Activate Account](#)
[Search](#) [Redeem Points](#) [About](#)

Figure 21

File Options Back Reload Stop Help Exit

Title:

URL:



Timely Payment Rewards Program

Member I.D.:

Password:

[Home](#) [Login/Logout](#) [Account Status](#) [Activate Account](#)
[Search](#) [Redeem Points](#) [About](#)

Figure 22

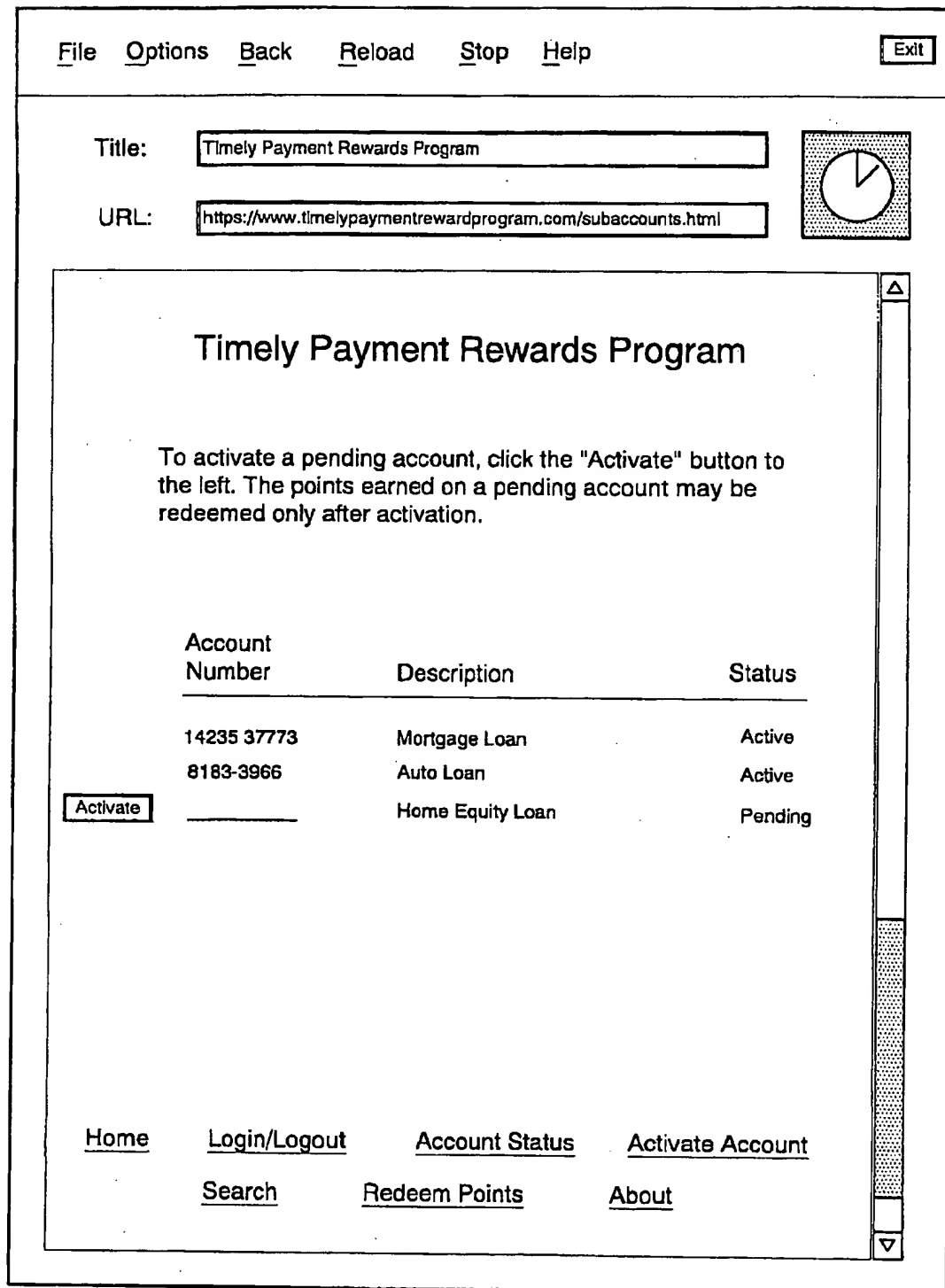
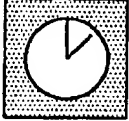


Figure 23

File Options Back Reload Stop Help Exit

Title:

URL:



Timely Payment Rewards Program

Enter your account number below and click the "Activate" button.

Description: Home Equity Loan

Account Number:

[Home](#) [Login/Logout](#) [Account Status](#) [Activate Account](#)
[Search](#) [Redeem Points](#) [About](#)

Figure 24

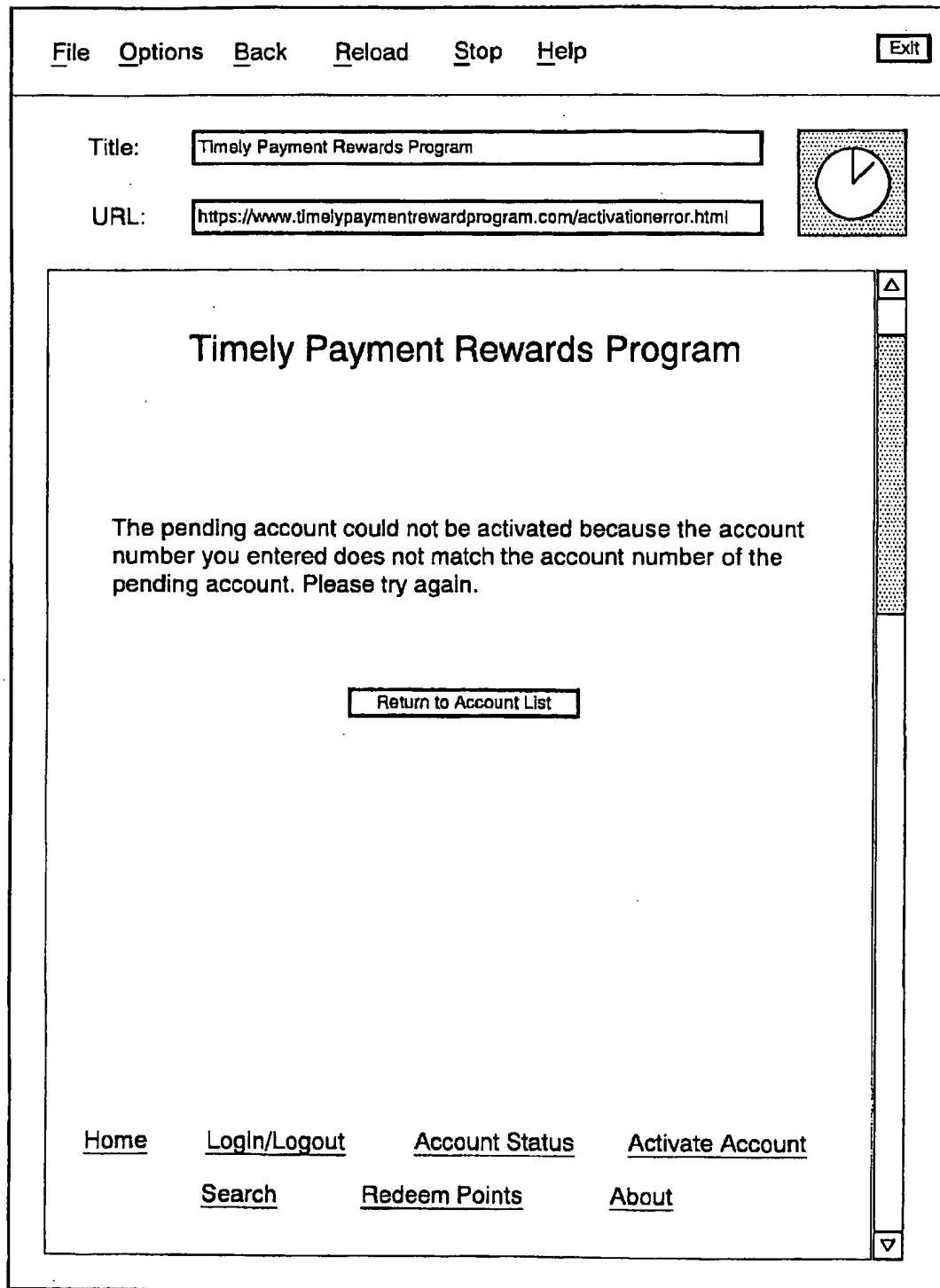



Figure 25

[File](#) [Options](#) [Back](#) [Reload](#) [Stop](#) [Help](#) [Exit](#)

Title:

URL:



Timely Payment Rewards Program

Total Points Awarded: **2256**
Total Points Redeemed: **1000**
Total Points Available: **1256**

Date Paid	Due Date	Account Number	Description	Points Awarded
12/31/2000	1/1/2001	14235 37773	Monthly Mortgage Payment	750
1/16/2001	1/15/2001	8183-3966	Monthly Auto Payment	0
1/17/2001	1/25/2001	555 9227 4646	Second Mortgage Payment	438
2/2/2001	2/1/2001	14235 37773	Monthly Mortgage Payment	0
2/10/2001	2/15/2001	8183-3966	Monthly Auto Payment	318
2/27/2001	2/25/2001	555 9227 4646	Second Mortgage Payment	0
2/28/2001	3/1/2001	14235 37773	Monthly Mortgage Payment	750

[Home](#) [Login/Logout](#) [Account Status](#) [Activate Account](#)
[Search](#) [Redeem Points](#) [About](#)

Figure 26

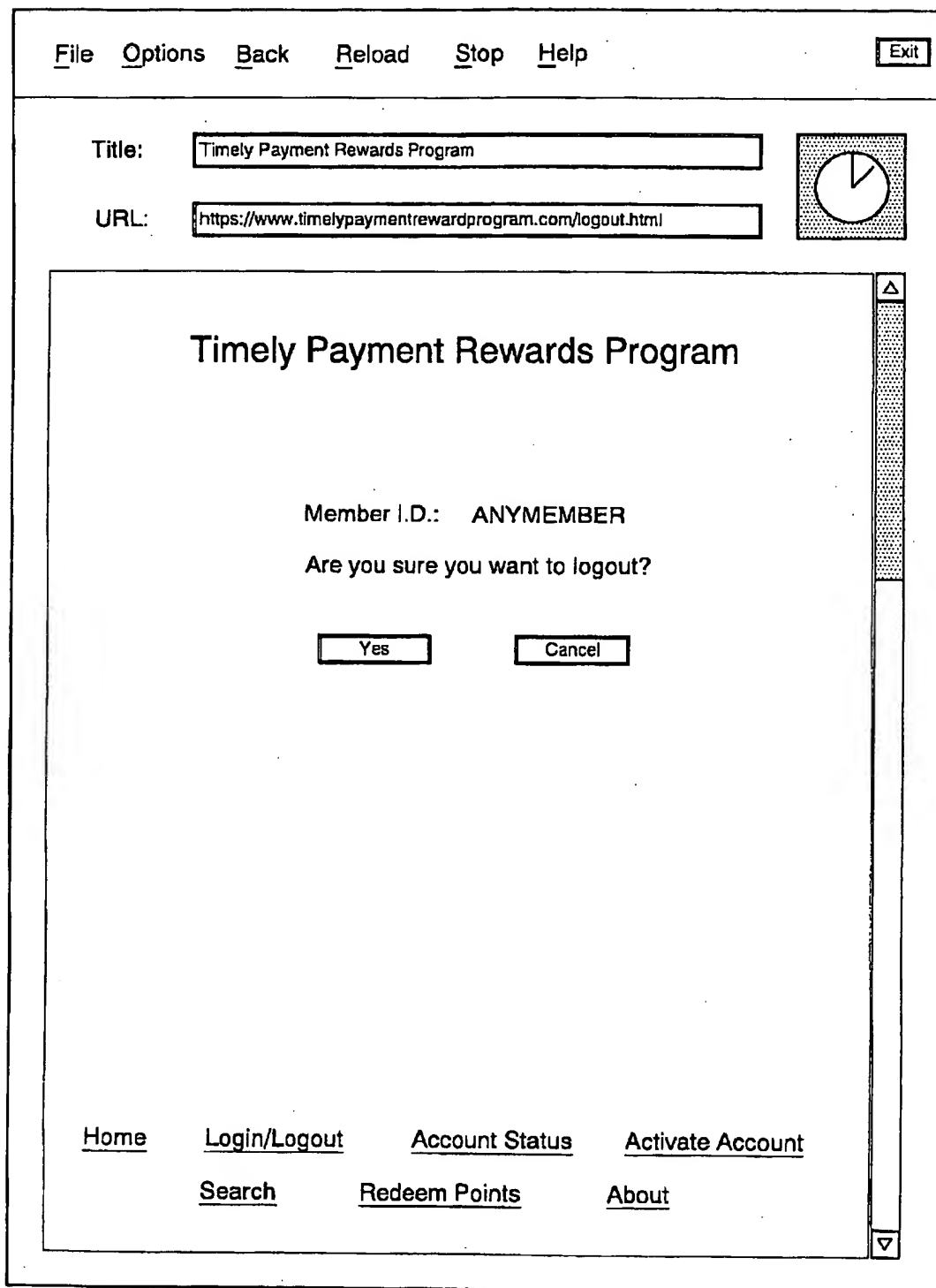


Figure 27

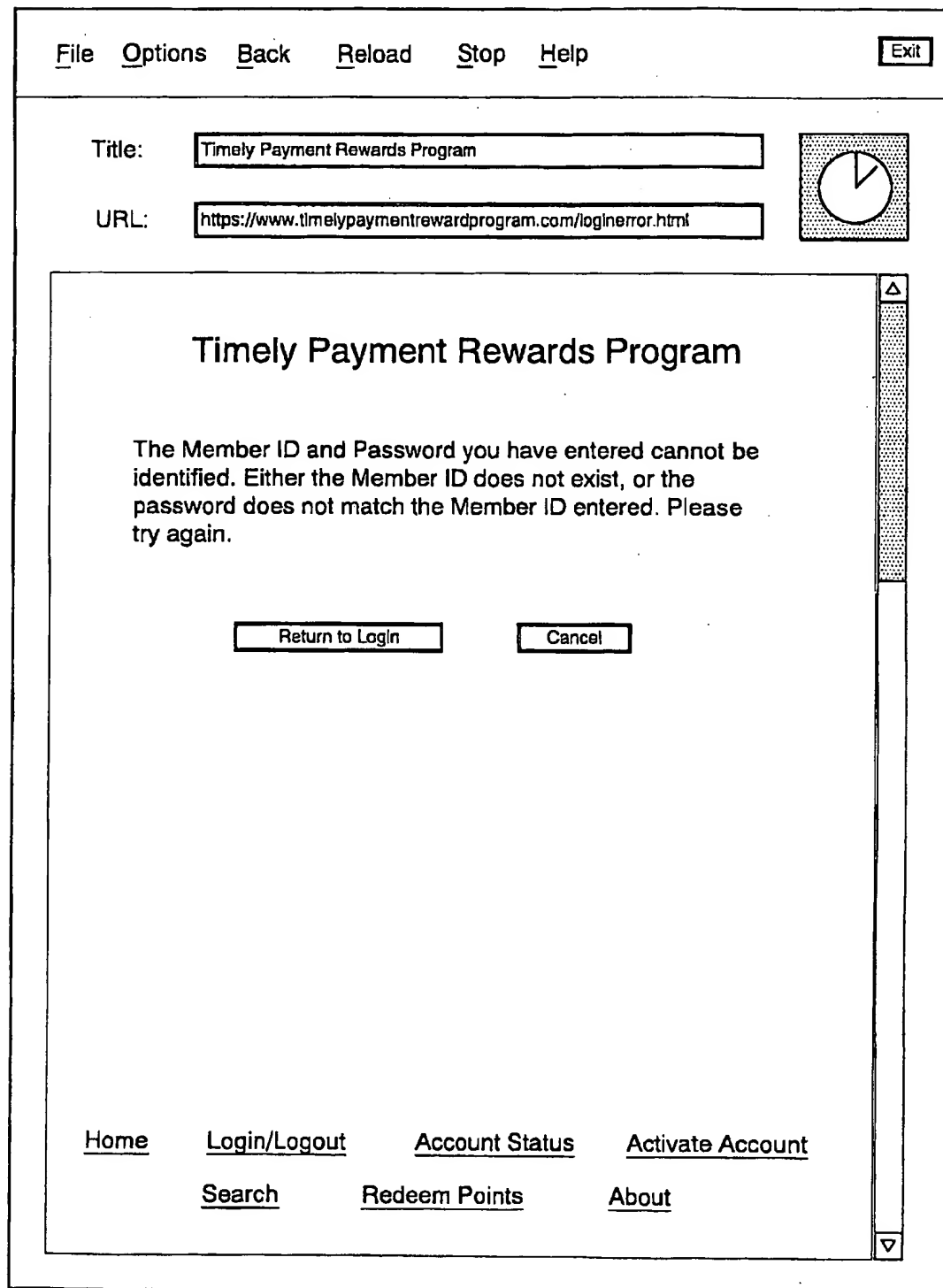
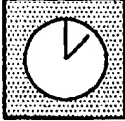


Figure 28

[File](#) [Options](#) [Back](#) [Reload](#) [Stop](#) [Help](#) Exit

Title:

URL:



Timely Payment Rewards Program

You may browse the redemption catalog by any of the following means.

By Product Category:	By Redemption Value:
Travel	1000-5000 Points
Electronics	5000 - 10,000 Points
House & Garden	10,000 - 15,000 Points
Sports	15,000 - 20,000 Points
Jewelry	20,000+ Points
Automotive	

Search Products For Keywords:

Start Search

[View My Wish List](#)

[Home](#) [Login/Logout](#) [Account Status](#) [Activate Account](#)

[Search](#) [Redeem Points](#) [About](#)

Figure 29

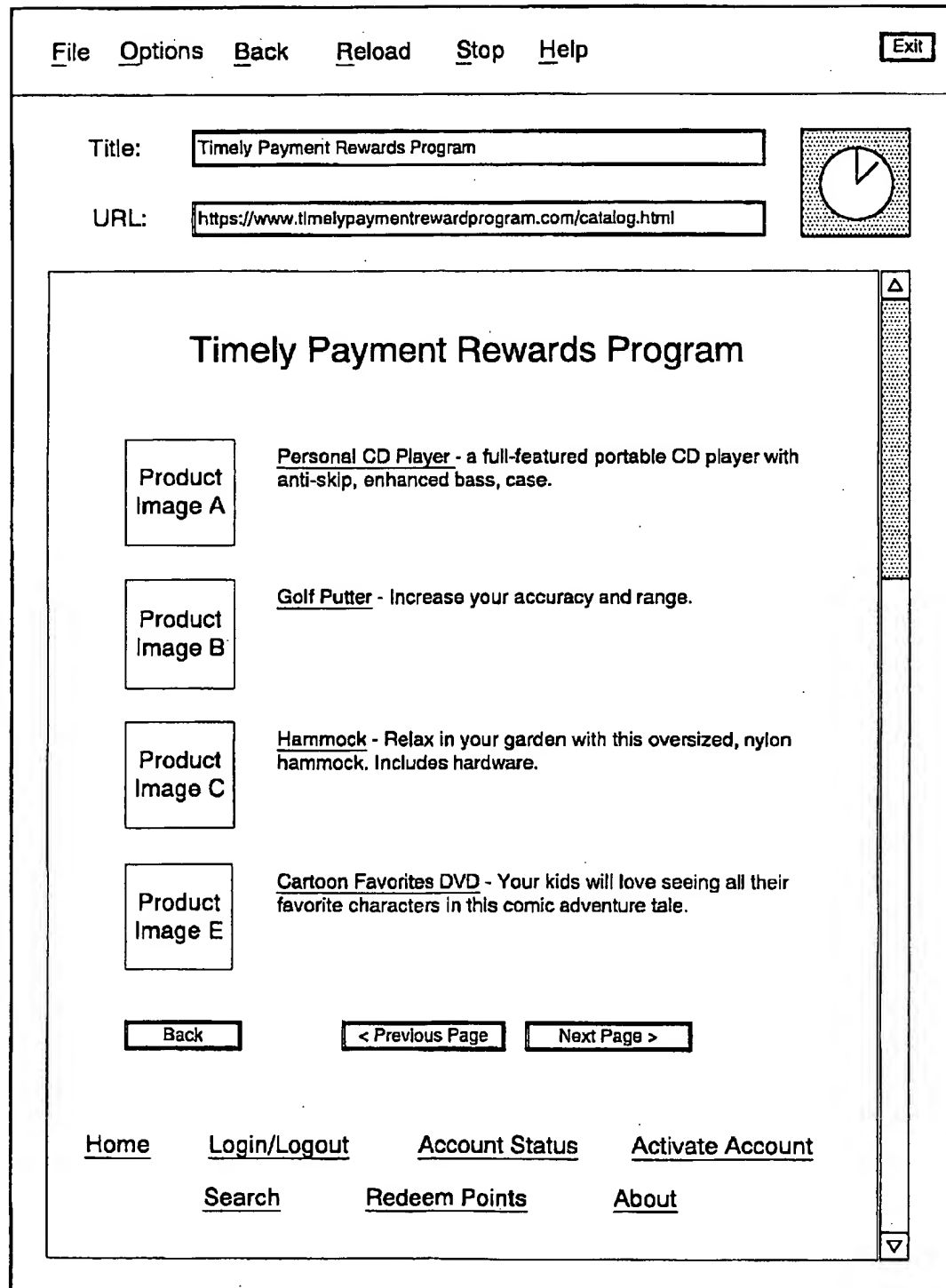


Figure 30

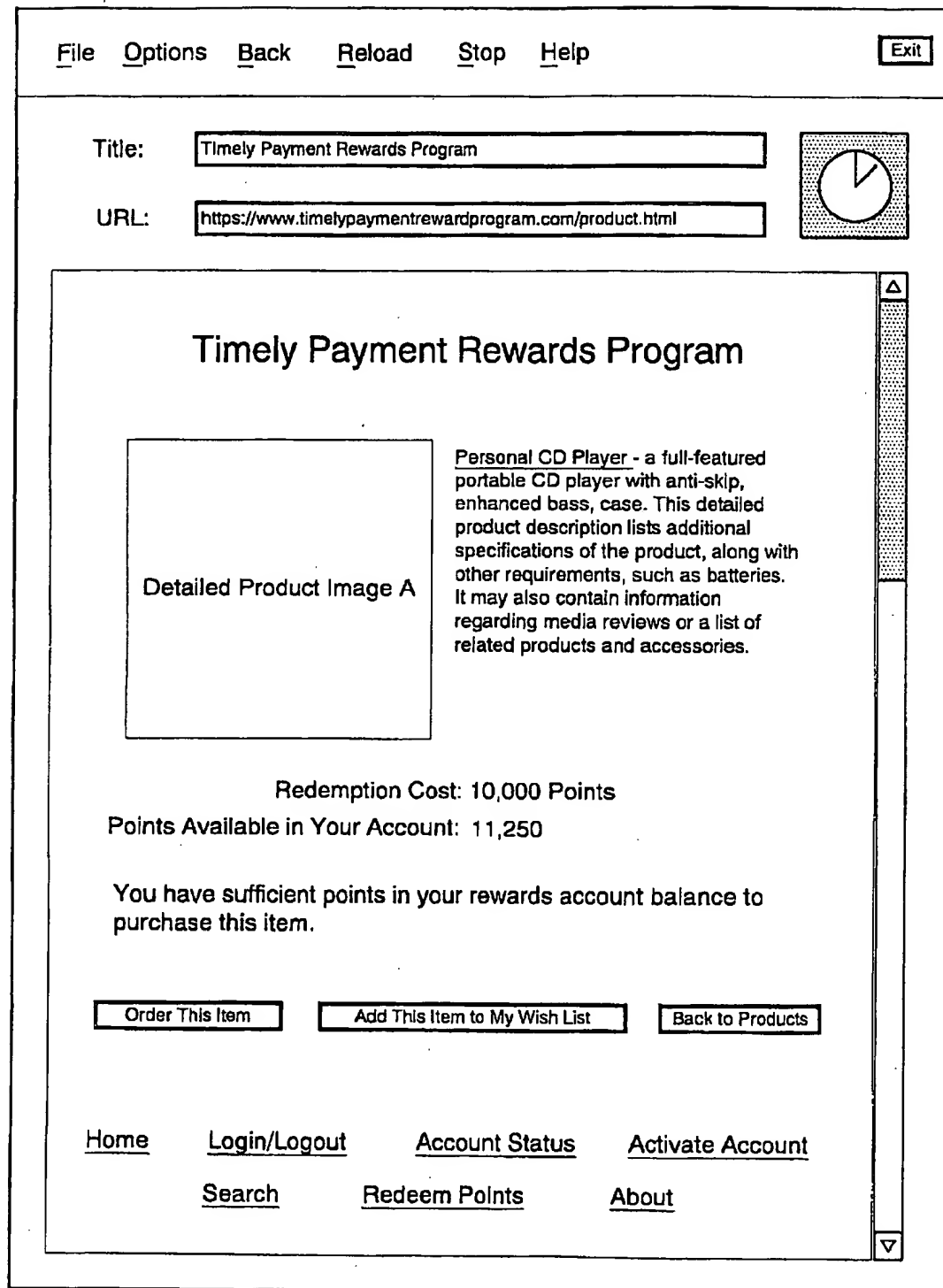


Figure 31

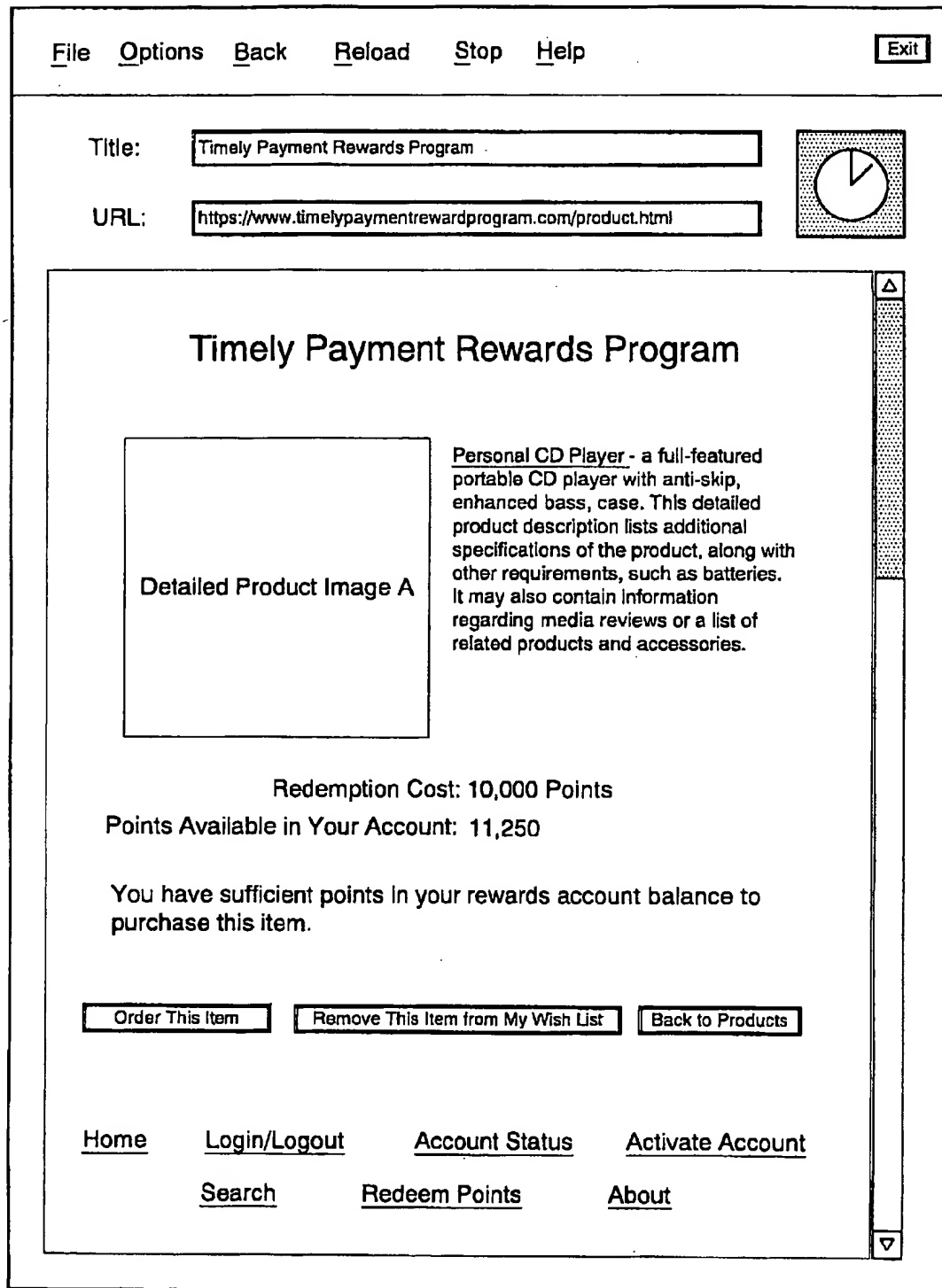


Figure 32

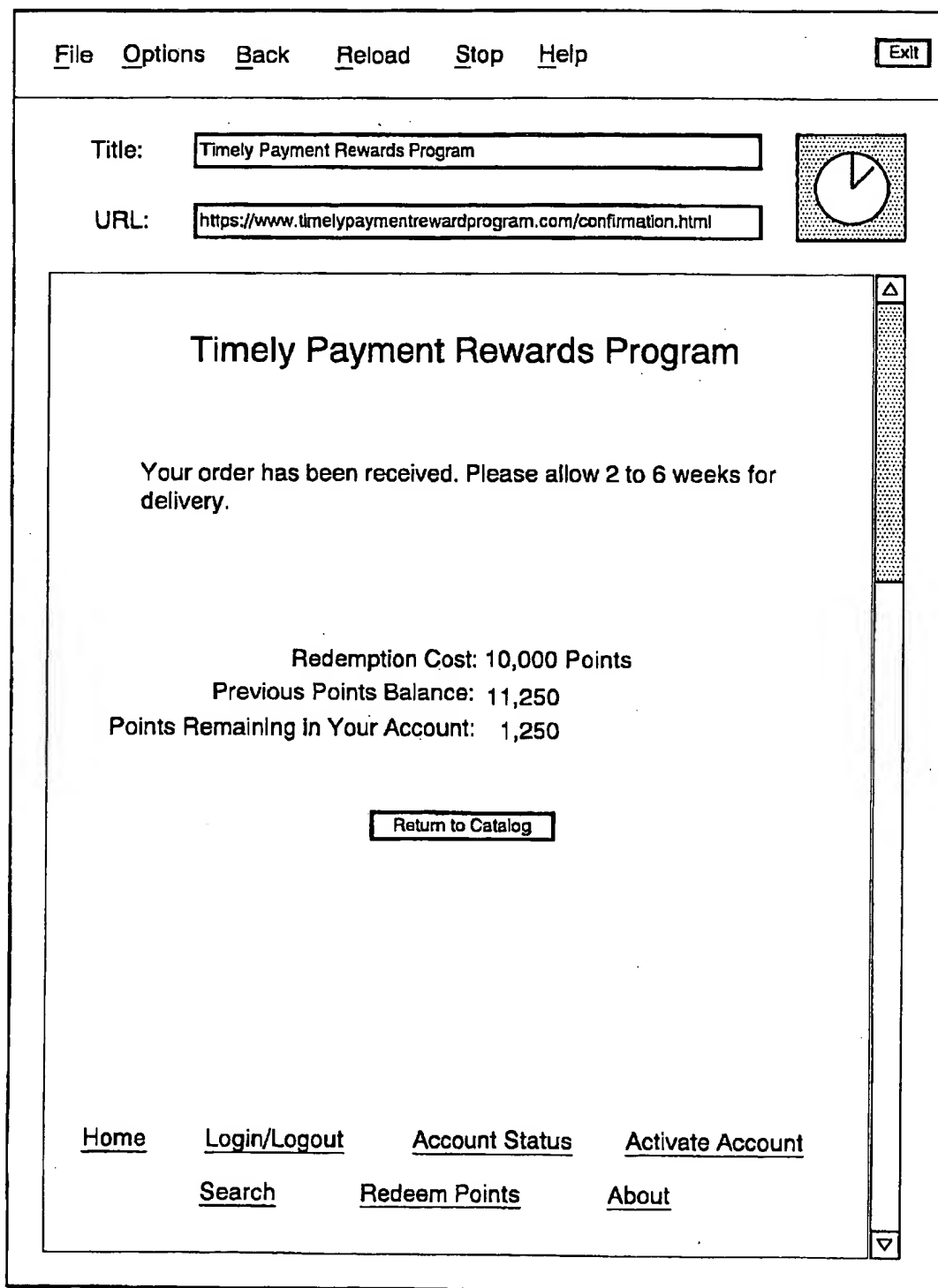


Figure 33

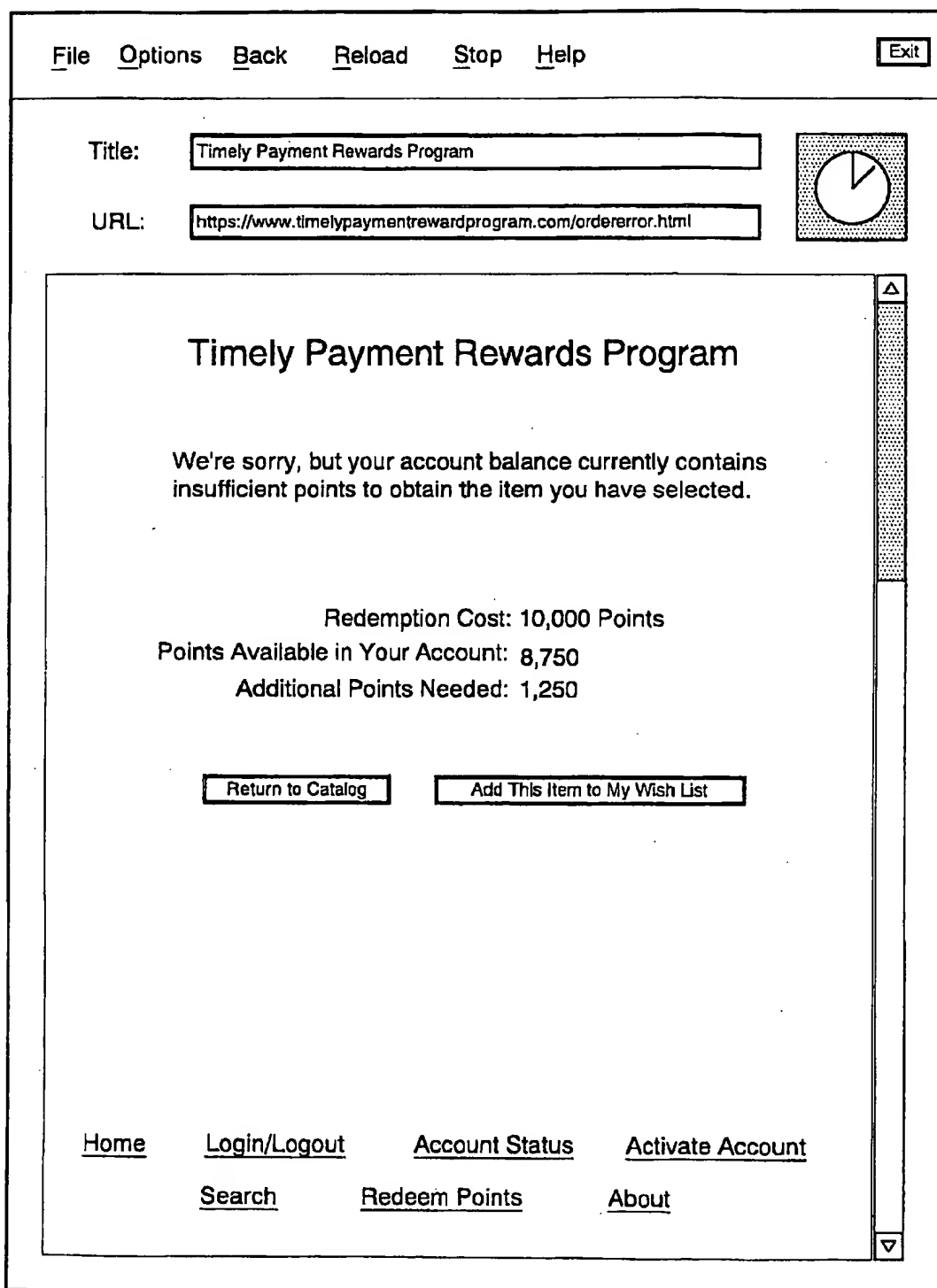


Figure 34

First National Bank

Timely Payment Rewards Statement

Account Number:	14235 37773
Prior Payment Due Date:	3/1/2001
Payment Received:	2/28/2001

Congratulations! You have submitted your payment 1 day before the due date. Your Rewards account has been credited with 425 points:

Previous Points Balance:	1275
New Points Awarded:	425
New Points Balance:	1700

You have earned enough timely payment rewards points to obtain the following redemption gifts from your Wish List:

Cartoon Favorites DVD	1500 Points
-----------------------	-------------

If you make your next payment on or before 4/1/2001, you will have earned enough points to obtain the following gifts from your Wish List:

Handy Pocket Tool	2000 Points
Romantic Favorites CD	1950 Points

To order any of the items on your Wish List, visit the Redemption Program Web site at:

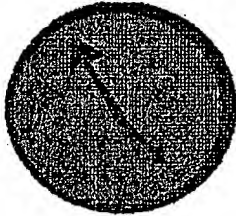
<http://www.timelypaymentrewardsprogram.com/redemptionhome.html>

or call 1 (888) 555-5555.

Figure 35

EXHIBIT B

TI11-701



Timely Rewards
936 Pacific Avenue
Tacoma, WA 98402

Phone: 253.284.3740
Fax: 253.284.3752

Date: 11/21/2000 # Pages (including cover page) 7

Please Deliver To: MARK HENDRICKSON

From: Scott Jarol, COO/CIO

Message:

TI 11-701

Timely Rewards, Inc.**Patent Application for Primary Business Process**

November 21, 2000

**FULLY INTEGRATED FREQUENCY AND AWARD REDEMPTION PROGRAM
FOR INSTALLMENT-BASED RECEIVABLES BEHAVIOR MODIFICATION AND
ONLINE AND OFFLINE CUSTOMER RELATIONSHIP MANAGEMENT.**

Inventors: **Greg Sheldon**, Tacoma, Washington; **Marisa Peña**, Gig Harbor, Washington;
Scott Jarol, Gig Harbor, Washington.

Assignee: **Timely Rewards, Inc.**, Tacoma, Washington.

References Cited**U.S. PATENT DOCUMENTS**

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5,806,045	9/1998	Biorge et al.	705/14
6,009,412	12/1999	Storey	705/14

FOREIGN PATENT DOCUMENTS

0 308 224 A2	3/1989	European Pat. Off.	G06F 15/21
WO 93/1248	6/1993	WIPO	

OTHER PUBLICATIONS**ABSTRACT**

A fully integrated automated frequency award program is disclosed. A Client's transaction processing system forwards the details of a customer's payment to a secondary transaction processing system, which evaluates whether the payment was received on or before the due date. If paid by the due date, the secondary transaction

processing system calculates award points based on criteria specified by the Client, updates the points account balance for the enrolled customer (Member), and communicates the reward to the Member. Members may browse a catalog of available products and services for which they may redeem their awarded points. When a Member selects a product or service for redemption of his or her points, the system verifies that the Member's points account balance contains sufficient points to purchase the item, then places the order with the appropriate vendor or fulfillment service and subtracts the redeemed points from the Member's account balance. Lenders and service providers deliver promotional messaging to their customers through the program's various on-line and off-line communications channels and derive customer profile data from customer interaction with the program.

**FULLY INTEGRATED FREQUENCY AND AWARD REDEMPTION
PROGRAM FOR INSTALLMENT-BASED RECEIVABLES BEHAVIOR
MODIFICATION AND ONLINE AND OFFLINE CUSTOMER RELATIONSHIP
MANAGEMENT**

BACKGROUND OF THE INVENTION

1. Field of the Invention

The present invention pertains to a loyalty marketing and behavior modification program based on installment and time-delayed payment behavior. The invention integrates automated transaction processing systems with online customer service systems to operate and maintain a loyalty program based on awards, redemption, and multi-channel customer communications.

2. Description of Related Art

(This language taken and slightly modified from patent 6,009,412.)

Frequency programs have been developed by various industries to promote customer loyalty. The most well-known include paper-based programs for purchases made at retail merchants, various frequent flyer programs in which travelers earn points or miles redeemable for travel on the same or affiliated airlines, consumer credit programs in which points redeemable for merchandise or services are earned for each credit line draw, and online programs which reward enrolled members with redeemable points for visiting or making purchases at Internet Web sites.

In mileage programs, travelers earn points, often referred to as "miles" for booking and checking in for flights. The amount of the reward often depends on the distance traveled. Mileage programs have begun to recruit companies from other sectors of the travel and hospitality industries to award travel mileage in exchange for hotel room rentals, auto rentals, meal service, and various other services. When a traveler has accumulated a sufficient number of mileage points, he may redeem these points for an award chosen from a specific list of awards specified by the program. Thus, for example, the traveler may redeem the points for a free flight ticket or a free rental car. In order to redeem the points, the traveler generally needs to request a certificate, and use the issued certificate as payment for the free travel.

While the above program may induce customer loyalty, it has the disadvantage that the consumer may choose redemption prizes from a limited catalog of items offered by the company. For example, a traveler may redeem points for flights between only those destinations to which the carrier has regular service. Another disadvantage is that the customer generally needs to plan ahead in sufficient time to order and receive the award certificate.

According to another type of frequency and award program, a credit instrument is provided and credit points are accumulated instead of mileage points. In such programs, bonus points are awarded by using a formula in which a price paid for merchandise is a parameter. Thus, upon each purchase a certain number of bonus points are awarded, which translate to a currency credit amount. According to these programs, the customer receives a credit instrument which may be acceptable by many enrolled retailers, so that the selection of prizes available is enhanced. An example of such a program is disclosed in E.P.A. 308,224. However, while such programs may enhance the selection of prizes, there is still the problem of obtaining the credit instrument for redeeming the awarded points. In addition, the enrollee must allow for processing time before the bonus points are recorded and made available as redeemable credit. Thus, the reward lacks immediacy.

A third type of frequency and award program rewards consumers for making purchases from a merchant. Under such a program, an award of redeemable points is calculated by means of a formula in which the price paid for merchandise is a parameter. Points accumulate in the form of either paper certificates, or in the case of online merchants, are automatically accrued in an account established for the purpose. Consumers may browse a catalog of redemption options and place orders for items by redeeming all or some of their accrued points. In the case of paper-based programs, the consumer mails an order form to the merchant or program manager requesting the redemption. In an online program, the consumer may browse an online catalog and select items for redemption electronically.

All of the programs described above share the common feature that the consumer is rewarded for purchases and are thus encouraged to make ongoing purchases from the same merchant or service provider.

SUMMARY OF THE INVENTION

(Language adapted and expanded from patent 6,009,412.)

In view of the above, the present invention is advantageous in that it provides an on-line and off-line incentive program that is fully integrated and that rewards consumers, and especially borrowers, for continuing to repay their debts and other installment obligations in a timely fashion, under the terms of their lending agreements and service contracts.

The disclosed invention is also advantageous in that it requires no purchase activity on behalf of the consumer other than the purchase that established the original credit debt.

Another advantage of the subject invention is that it provides on-line access to award catalogs, points balance and accrual details, and award redemption using on-line electronic redemption forms.

Another advantage of the subject invention is that it awards points upon receipt of on-time payments.

The present invention is further advantageous in that it provides points that are immediately made available for redemption.

Another advantage of the present invention is that it allows a customer to order a prize and redeem the awarded points towards the ordered prize immediately upon award of the points, thus enhancing the immediacy effect of the reward program.

Another advantage of the invention is that consumers are automatically enrolled in the program by their lenders or service providers.

Yet another advantage of the invention is that it provides on-line forms by which the consumer may un-enroll themselves from the program.

A further advantage of the invention is that it encourages good credit behavior by sending customers reminders and statements regarding the status of their awards accounts and attractive redemption opportunities.

Another advantage of the invention is that statements and reminder notices, as described above, are delivered through various communication channels, including electronic mail, personalized Web pages, postal mail, and automated telephony.

The invention is advantageous to the lender or service provider in that it opens additional channels of customer communication.

A further advantage of the invention to the lender or service provider is that it affords opportunities through the programs various on-line and off-line communication channels to present promotions to consumers for additional products and services.

Another advantage of the invention to the lender or service provider is that it encourages consumers to engage in excellent credit behavior, with the result that payments are made on time, enhancing cash flow and reducing delinquency.

A still further advantage of the invention to the lender or service provider is that it enables the collection of preference information from consumers as they browse the on-line redemption catalog and other on-line services.

Another advantage of the invention is that it further facilitates the development of consumer profiles by collecting and analyzing payment activity as it pertains to on-time payment.

The invention offers further advantages to lenders and service providers who participate in the program by enabling the sharing of aggregate and specific profile information regarding the demographics, psychographics, product preferences, and payment habits of their mutual customers.

Yet another advantage of the invention to lenders and service providers is that it provides on-line access to real-time monitoring, analysis, and adjustment of program performance.

The above and other advantages are provided by the disclosed invention which includes provisions for access over the internet and through automated interactive voice response systems accessed over the public telephone network. Upon gaining access, the customer is able to browse through an award catalog, view the points available for redemption in the customer's award account, review a history of awards based on individual payment transactions, and obtain information about the program, the customer's account, or about products and services offered by the lenders and service

providers. The program also enables the customer to order prizes on-line or off-line and redeem awarded points on-line or off-line.

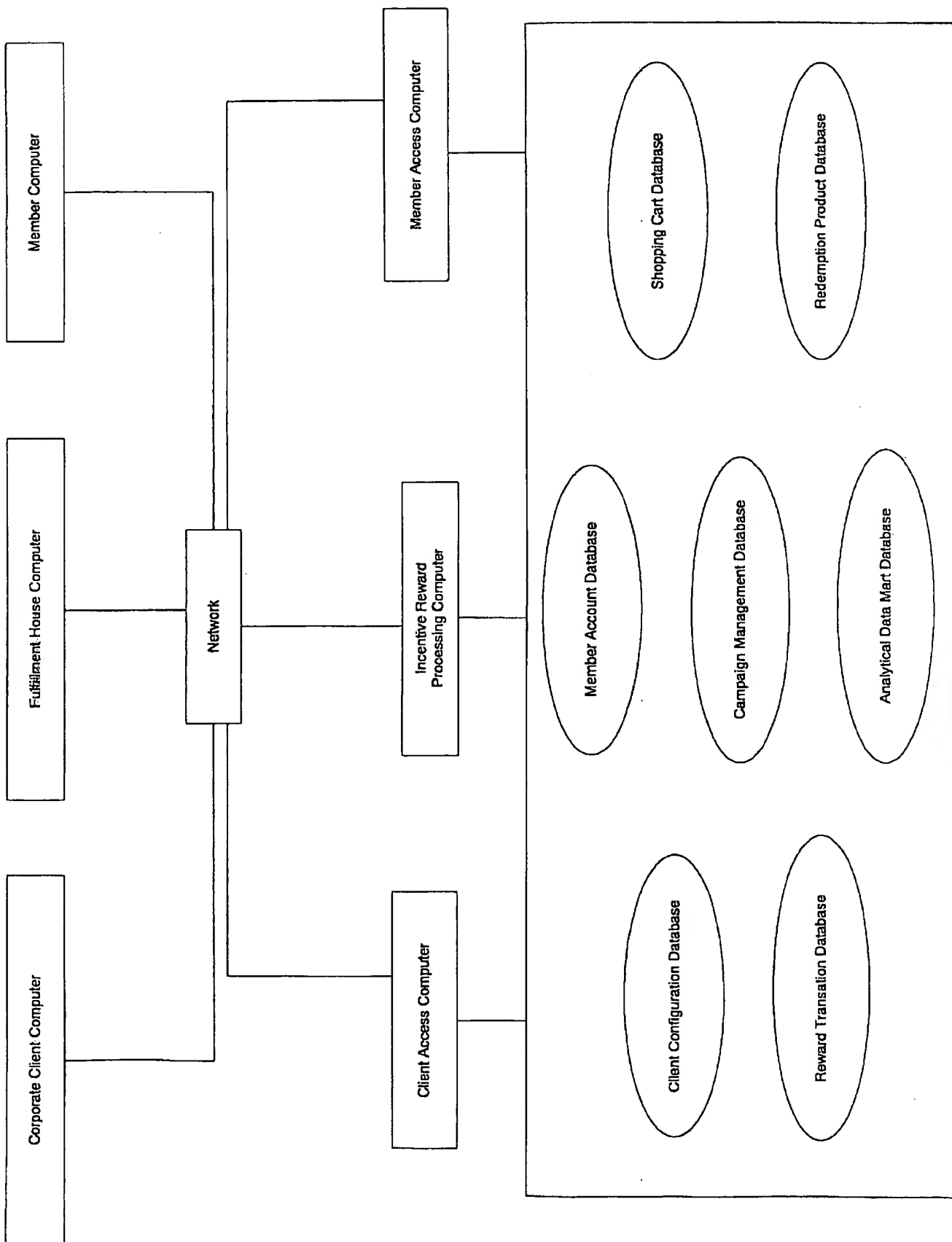


EXHIBIT C

Listing of Claims:

1. (previously presented) A lender-based method for implementing an on-line incentive program for selected members who are making installment payments, said method comprising:

identifying at least one selected member making installment payments as a candidate for an incentive program to affect behavior;

providing a lender-based Internet webpage accessible to at least one selected member, via a computer system, for on-line interactive communications between said selected member and said lender-based Internet webpage; offering, on said lender-based Internet webpage, installment payment schedule information to said selected member;

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system;

providing said selected member notice of eligibility for the incentive program;

receiving an enrollment request from said selected member;

receiving identifier data and payment behavior data of the selected member;

determining whether said selected member qualifies for one or more non-cash award points based on said selected member payment behavior data;

calculating said non-cash award points according to a preprogrammed formula if said selected member qualifies for said non-cash award points; and issuing said

non-cash award points to an account of the selected member if the selected member qualifies for said non-cash award points, wherein said non-cash award points are redeemable by the selected member for a non-cash award.

2. (previously presented) A lender-based method for implementing an on-line incentive program for selected members who are making installment payments as recited in claim 1, said method further comprising the step of offering, on said lender-based Internet webpage, electronic installment payment capability to said selected member.

3. (previously presented) A lender-based method for redeeming incentive non-cash awards in an on-line incentive program, said method comprising the following:

implementing an on-line incentive program that issues non-cash award points to selected members who are making installment payments, wherein said non-cash award points are redeemable by said selected members for a non-cash award; identifying at least one selected member making installment payments as a candidate for an incentive program to affect behavior;

implementing a lender-based Internet webpage accessible, via a computer system, to at least one selected member of said on-line incentive program for on-line interactive communications between said selected member and said lender-based Internet webpage;

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system;

providing said selected member notice of eligibility for the incentive program;

receiving an enrollment request from said selected member;

receiving identifier data and payment behavior data of the selected member;

determining whether said selected member qualifies for one or more non-cash award points based on said selected member payment behavior data;

offering, at least one redeemable non-cash award available to said selected member for exchange of said non-cash award points; and

permitting said selected member to initiate a process to receive said at least one redeemable non-cash award for exchange of said non-cash award points issued to said selected member through said on-line incentive program.

4. (previously presented) A computer readable medium comprising a plurality of instructions, which when executed by a computer, causes the computer to perform the following:

providing a lender-based Internet webpage accessible to at least one selected member, via a computer system, for on-line interactive communications between said selected member and said lender-based Internet webpage;

identifying at least one selected member making installment payments as a candidate for an incentive program to affect behavior;

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system;

providing said selected member notice of eligibility for the incentive program;
receiving an enrollment request from said selected member;
receiving identifier data and payment behavior data of the selected member;
offering, on said lender-based Internet webpage, installment payment schedule information to said selected member;
determining whether said selected member qualifies for one or more non-cash award points based on said selected member making one or more timely installment payments;
calculating said non-cash award points according to a pre-programmed formula if said selected member qualifies for said non-cash award points; and
issuing said non-cash award points to an account of said selected member if said selected member qualifies for said non-cash award points, wherein said non-cash award points are redeemable by said selected member for a non-cash award.

5. (previously presented) A computer readable medium as recited in claim 4, and further comprising the step of offering, on said lender-based Internet webpage, electronic installment payment capability to said selected member.

6. (previously presented) A computer readable medium comprising a plurality of instructions, which when executed by a computer, causes the computer to perform the following:

implementing an on-line incentive program that issues non-cash award points to selected members wherein said non-cash award points are redeemable by said selected member for a non-cash award;

identifying at least one selected member making installment payments as a candidate for an incentive program to affect behavior;

providing a lender-based Internet webpage accessible to at least one selected member, via a computer system, for on-line interactive communications between said selected member and said lender-based Internet webpage;

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system;

providing said selected member notice of eligibility for the incentive program;

receiving an enrollment request from said selected member;

receiving identifier data and payment behavior data of the selected member;

offering, on said lender-based Internet webpage, installment payment schedule information to said selected member;

determining whether said selected member qualifies for one or more non-cash award points based on said selected member making one or more timely installment payments;

calculating said non-cash award points according to a preprogrammed formula if said selected member qualifies for said non-cash award points; and

issuing said non-cash award points to an account of said selected member if said selected member qualifies for said non-cash award points, wherein said

non-cash award points are redeemable by said selected member for a non-cash award.

7. (canceled).

8. (previously presented) A lender-based method for implementing an on-line incentive program for selected members who are making installment payments as recited in claim 1, and further wherein the payment behavior data is one or more timely installment payments.